DOCUMENT RESUME

ED 121 492 56 RC 009 075

AUTHOR Vicenti, Dan; And Others
TITLE The Law of the People (Dine Bibee Haz'Aannii): A Bicultural Approach to Legal Education for Navajo Students, Volume 1.
INSTITUTION Ramah Navajo School Board, N. Mex.
SPONS AGENCY Bureau of Elementary and Secondary Education (DHEW/OE), Washington, D.C. Div. of Bilingual Education.
PUB DATE 72
NOTE 105p.; One volume of a 4-volume set which includes RC 009 075-078; also see RC 009 074 for an overview of the 4-volume set
AVAILABLE FROM Ramah Navajo High School Press, Box 248, Ramah, New Mexico 87321 ($5.00 per volume; $20.00 for set of 4 volumes)

EDRS PRICE MF-$0.83 HC-$6.01 Plus Postage
DESCRIPTORS *American Indian Culture; Biculturalism; Bilingual Education; Case Studies; Community Involvement; *Consumer Education; *Curriculum Guides; Definitions; Evaluation Criteria; *Law Instruction; Navaho; Paraprofessional Personnel; Post Secondary Education; Resource Staff Role; Role Playing; Secondary Education
IDENTIFIERS *Navajos; Ramah New Mexico Navajo High School

ABSTRACT

Volume 1 of a 4-volume bilingual bicultural law-related curriculum is made up of legal case histories from traditional Navajo tribal and state court cases dealing with consumer problems and personal property disputes. These case histories, which were compiled by local legal specialists, provide "role playing" situations (buying a car, dealing with the trader) for Navajo high school and college students who exist in a pluralistic legal environment, and are a guide for others who deal with the Navajo people and their legal problems. Objectives of the consumer education volume include helping the student to: understand his own traditional law ways for handling consumer and property disputes and compare these to the Anglo law ways; recognize different informal dispute resolution techniques; understand how tribal and state courts can be used to get consumer protection; and understand the principles involved in contractual agreements, mortages, etc. Teaching devices include role playing in English and Navaho (in the classroom as well as in the community); use of the casebook (supplemented by video tapes); and community involvement (forming consumer cooperatives, investing in savings and loan associations). Evaluation (by paraprofessional parent teachers, local advocates, and students) is based on the ability of the students to understand Anglo legal concepts of dispute resolution and to express them in terms of local law ways. (AH)

Documents acquired by ERIC include many informal unpublished materials not available from other sources. ERIC makes every effort to obtain the best copy available. Nevertheless, items of marginal reproducibility are often encountered and this affects the quality of the microfiche and hardcopy reproductions ERIC makes available via the ERIC Document Reproduction Service (EDRS). EDRS is not responsible for the quality of the original document. Reproductions supplied by EDRS are the best that can be made from the original.

ED121492

The Law of The People

DINÉ BIBEE, HAZ'ÁÁNII

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION
THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

RECEIVED
JUN 11 1975
NMSU
E.R.I.C.

A Bicultural Approach to Legal Education For Navajo Students

PERMISSION TO REPRODUCE THIS COPYRIGHTED MATERIAL HAS BEEN GRANTED BY
Ramah Navajo School Board, Inc.
TO ERIC AND ORGANIZATIONS OPERATING UNDER AGREEMENTS WITH THE NATIONAL INSTITUTE OF EDUCATION. FURTHER REPRODUCTION OUTSIDE THE ERIC SYSTEM REQUIRES PERMISSION OF THE COPYRIGHT OWNER

PERMISSION TO REPRODUCE THIS COPYRIGHTED MATERIAL HAS BEEN GRANTED BY
Stephen Conn (pp. 64 thru 100)
TO ERIC AND ORGANIZATIONS OPERATING UNDER AGREEMENTS WITH THE NATIONAL INSTITUTE OF EDUCATION. FURTHER REPRODUCTION OUTSIDE THE ERIC SYSTEM REQUIRES PERMISSION OF THE COPYRIGHT OWNER

BY
DAN VICENTI
LEONARD B. JIMSON
STEPHEN CONN
M.J.L. KELLOGG

RC009075

VOLUME I

2

RAMAH NAVAJO HIGH SCHOOL PRESS

T H E L A W O F T H E P E O P L E

DINÉ BIBEE HAZ'ÁANII

A Bicultural Approach to Legal Education
for Navajo Students

by Dan Vicenti
Leonard B. Jimson
Stephen Conn
M. J. L. Kellogg

RAMAH NAVAJO HIGH SCHOOL PRESS

Ramah, New Mexico 87321

1 9 7 2

No portion of this text may be reproduced or republished without the explicit written permission of Dan Vicenti, Director, Ramah Bilingual Education Project, Box 248, Ramah, New Mexico, 87321. Prepared and published under a Title VII grant of the Elementary and Secondary Education Act of 1965.

Cover and Title Page Design by Bob Martine

©RAMAH NAVAJO SCHOOL BOARD, INC. 1972

Executive Office of the Chairman

THE NAVAJO NATION

Window Rock, Arizona, 86515

PETER MACDONALD
Chairman

FOREWORD

The Navajo people have long been ensnared in a legal web. Contact with the Anglo-American economic system which has become necessary for the Navajo people has brought a concomitant involvement in the confusing and, often contradictory, Anglo legal system. The Anglo legal system, for instance, in the areas relating to commercial transactions, has many aspects that are substantially different from the simple and effective traditional norms which have served the Navajo people extremely well for hundreds of years.

As a result of this confluence of legal systems, many Navajo people are at a serious disadvantage in dealing with Anglo merchants, car dealers and traders. In their dealings with these Anglo businessmen, most of the Navajo people are unaware of the pitfalls and the protections that are present in the Anglo -American legal and commercial systems.

It becomes increasingly important that the Navajo people understand the Anglo system and its relationship to our traditional Navajo "common law". To a large extent, the responsibility for acquainting all of our people with these matters rest with our young people. This excellent textbook clearly and simply shows many of the problems and difficulties which face the Navajo people when they deal in the Anglo system. It also indicates effective means for countering these dangers, and outlines the protections afforded by the Anglo legal system. This text and the course of study it envisions are important additions to our educational systems. I commend this instruction and I am confident that it will prove of great benefit to the students and to all Navajo people.

Peter MacDonald, Chairman
Navajo Tribal Council

I N T R O D U C T I O N

This book is intended to be a source book of the traditional and modern law that affects Navajo people today.

It is hoped that teachers will use it as the basic instructional text in classes on legal education and Navajo culture in secondary schools and colleges.

Furthermore, we believe that it will serve as a useful text for lay judges, lay advocates, police, social workers, and other people who deal with Navajo people and their problems. We believe that the material in this text will give these people new insights into Navajo social and business relationships, and especially the impact of law and tradition upon those relationships.

The paraprofessional advocate is taking on new roles in the Navajo Nation and in other Indian court systems. He will not only represent clients in court, but will help to conciliate their disputes. He will also enter the classroom and assist teachers in instruction about modern law, traditional legal ideas, and the problems of students and their parents.

For paraprofessionals of other cultural traditions, this text and the methodological approaches embodied in the interviews published here will direct them in the better performance of their present tasks and in the assumption of roles that are uniquely theirs.

Stephen Conn
Consulting Attorney

INTRODUCTION

Bilingual Legal Education at Ramah

The legal education program has researched, prepared, and presented a fundamentally different kind of high school program that emphasizes in all aspects the uniquely pluralistic legal environment in which the student as a Navajo resides. The student's duel identity as a member of the Navajo Nation and as an American citizen is stressed and the impact of customary law ways, the Navajo common law, and the common law developed through state and Federal jurisprudence are presented as they actually exist within the context of life in Navajo Land.

Members of the traditional Navajo community may be called upon to relate their own ideas about norms for behavior and ways to solve problems to those of an attorney or formal institution within the Navajo or state judicial system. The Navajo high school student's posture is somewhat different from that of the Navajo adult who was reared in a traditional environment or from that of the Anglo attorney. For him, the recognition that both kinds of law ways are relevant to his life, and worthy of regard, will be a lesson that will not only help him in dealing with non-Indian institutions but will also help him to assume the role of interpreter and cultural intermediary for those who can relate only with greater difficulty to the non-Navajo world and its special and often arbitrary ideas about how things should be defined and how problems should be resolved. Most important, as a student with increasing understanding of the comprehensive nature of Navajo thoughts about law and dispute resolution, he will interpret Anglo law with increasing respect for what was already present in Navajo society before Anglo law and arrogance toward Navajo historical tradition arrived and made its presence felt in Navajo Land.

He will ask, "What works for my people?" and will be equipped to join the generation who will not feel inhibited about modifying institutions and foreign ways of dispute resolution that do not work for Navajo people.

The course is neither legal history nor a course in "good citizenship." It is an introdution to all law ways (customary as well as formal) that nececessarily are important to Navajo people when they face ordinary problems.

For example, consumer problems are studied not only from the perspective of the formal law's definitions of rights and duties inherent in a contractual relationship. Students also examine Navajo ideas about the rights and duties inherent in agreements of sale of various items such as goods or land.

Family or domestic relations questions explored the Navajo conceptions of marital relationships and the rights and duties of the husband and wife and compare these to the definitions imposed by state or tribal codes written by outside attorneys.

In short, the conflicts and parallel ideas in a range of subject law areas are discussed with an emphasis upon real problems and ideas that are still currently held by Navajo people.

Navajo ways of resolving disputes of different kinds informally, and formal remedies offered by tribal, state, and federal courts as a teaching strategy as well as a teaching objective are explored in depth.

Content Areas of These Materials

UNIT 1

Consumer Education. As it embodies elements of the formal law of contract and the law of torts, the Navajo student will learn how to deal as a consumer with specific problem situations familiar to him and his parents.

Principal of these are:

1. Navajo versus trader in the various functions performed by this monopolistic institution in rural areas of Navajo Land.

2. Navajo versus car dealer or other town merchant.

Within each relationship, there are specific elements that have their basis in formal or in traditional dealings or conceptions of property as they have evolved in the Navajo experience. Chief among these are:

1. Making of the contract - the bargaining experience.

2. Money management - securance of credit, understanding of secured property, understanding of credit.

3. Dealing with disputes over fraud, shoddy goods, and contract areas.

General behavioral objectives will be:

1. To give the student a firm understanding of his parents' traditional views of property as it is employed within these commercial contexts so that they may act increasingly as sophisticated consumers, in their own behalf and as they speak for their parents and plan the future development of their Navajo community.

2. To give them a firm grasp of bargaining and informal dispute resolution techniques as they may be carried out with the trader and car dealer without the aid of lawyers.

3. To show how the state or tribal court may be used to help them secure consumer protection in individual disputes.

4. To show them how to restructure legal and economic relationships with traders and car dealers through political efforts and community organization in order to secure consumer protection for all Navajo people in the consumer community.

General teaching strategies: As a general matter, teaching strategies in each subject area will focus upon the disputes or encounters in each context and not upon a presentation of abstract rules of procedure. Students will be encouraged to identify with or to portray the participants through several devices for learning.

1. Role playing in dramatization of encounters and disputes in the open classroom context will be a principal vehicle of learning. To illustrate: a class of twenty is divided in groups of five. Each group will select a leader and be instructed to proceed to an individual in the middle of the room who is a trader to pawn a necklace. Attempts by the trader to cheat the consumer will be noted by the other groups as they are successful. The trader will speak Navajo. Or again, a car dealer will be dealt with as he attempts to sell a "lemon" to

a subgroup, or have their leader sign a blank contract. Other groups will see if the participating group asks the correct questions, or if it is misled and will criticize their peers in a post-encounter discussion. In a similar vein, dispute resolution will be learned as each subgroup divides and argues a dispute over property rights before an individual in the center of the room who portrays a judge or, again, a traditional conciliator. The other subgroups will observe and criticize, and then argue positions in disputes themselves. This will take place in Navajo and in English, depending on the forum (tribal court or traditional conciliator, or white judge in the state court).

2. The casebook of Navajo experience documents typical disputes about consumer problems and personal property generally, to show how these problems are presented in tribal and state courts and how they are resolved. Commentaries and discussion questions guide the students and teachers. These disputes provide the source of some dramatizations, as students and teachers suggest how they would have acted.

3. Active projects: Class participation in projects should "spill over" into the community as a third projected teaching strategy in consumer education. Suggested projects are these:

A. Development of a consumer cooperative.

B. Use of a local credit union by class members for savings and loans in their own personal affairs through the school credit union.

These projects will entail participation with Navajos from other parts of the Reservation who have worked on cooperatives, as well as local bankers and a CUNA representative, who will explain their institutions.

These same teaching devices: (1) role playing, (2) the casebook, and (3) activity projects, will be used in the two additional subject courses.

Although the three areas of conflict and relationship are divided here and will be divided in the texts and teaching manual, it is projected that a teacher may intersperse conflicts from any of the three areas in the same session, as he becomes familiar with the material and perceives the

relationships. Thus, contracts with merchants and agreements with neighbors over land usage do have parallel legal implications as disputes and can be treated jointly or independently within the frame of separate courses.

In lieu of an independent course on, e.g., "What is law and what is a legal system" or "How problems are solved in courts and in traditional ways," this information will be the three major subject areas of consumer law, family law, and the course on law in the community.

As students evaluate their own roles and those of the third-party dispute resolvers, this information will be introduced.

Because it will be presented in the teacher manual and in outline form for those instructors in other schools who feel more comfortable in the conventional classroom format, an outline of this material is presented here:

UNIT 2

A. What is law, and what is a legal system?

B. The origin of law

   1. Traditional Navajo law ways and customs

   2. Tribal jurisdiction and sovereignty

   3. State and federal government and the authority of their law for Navajo people.

C. Types of law

   1. Custom and culture

   2. Case law

   3. Statutory - how laws are made

D. Civil and criminal law

   1. The distinction within the Anglo-American legal system

2. The distinction within the Navajo system of law

a. Traditional system

b. Modern, "mixed" system

E. How problems are solved in courts and in traditional ways

1. The court systems

2. Traditional ways of resolving disputes

3. The role of judge and jury

4. The role of the lawyer and law advocate

5. The role of the informal dispute resolver - clan leader, headman, or local leader

UNIT 3

Law and the Family. Once again the focus will be upon property, both real and personal, as it is used, enjoyed, and transmitted within the Navajo family of today. The rights and responsibilities of the husband, wife, and children as they were set within the context of the extended family, matrilineal hierarchy, and clan were the focal point of Navajo law ways and social organization, and continue to be important as they contrast or accord with formal law's definitions of familial rights and duties. The course will attempt to show the Navajo student how the laws of Navajo society and of the state both define how he is expected to relate to this cornerstone of the community.

Subtopics will be:

1. Marriage, property, and disputes; the sheep and the grazing permit.

2. Children; their rights and duties.

3. Death in the family, inheritance, and the law.

The chief behavioral objective will be to reorient the student to his family through the traditional and formal systems of law. The disparity between the written tribal code and traditional ideas of familial rights and responsibilities has been particularly disorienting to Navajo youngsters.

So, too, the displacement of parental authority by boarding schools has created a gap that locally-controlled schools are only beginning to perceive as they create an environment where parents must reassume responsibility for disciplinary problems of their youngsters. This course is, then, again focused on a particular problem area of Navajo people.

Teaching strategies: In addition to the techniques listed above, parent advisors should play an immediate role in the classroom, as they discuss Navajo aspects of familial conduct.

UNIT 4

Law and the Community. In earlier days, Navajo people had special rules for dealing with the chance encounters that lead to injuries by or of fellow tribe members who were not their relatives. These rules of compensation are the common analogue of private remedies on tort and criminal procedure as it is implemented through the tribal courts of today. From three points of reference, the third subject will deal with the problems of obtaining justice in the tribal courts in cases where personal injury or property damage has occurred.

1. Getting relief: The evolution of the court system on the reservation emphasized public sanction and not ways that the court could secure private damages for people with problems. Only recently has representation in tribal court for private actions become available. Confusion about how the court can be used, and, especially, when the court will help individuals and when it will act on behalf of the tribe to punish wrongdoers is still widespread among adults and young people.

With a focus upon property damage and personal injuries, the first part of the course will explain how legal institutions relate to present-day needs for problem solving outside of the family and to traditional methods of problem solving. The objective will be to prepare students to help their parents and themselves obtain help they want from courts; be that help damages, injunctions, or even criminal sanctions against people who mistreat them and their property.

2. The rights of defendants: The second objective will be to explain what students can do if arrested or served with a civil process in the tribal or state courts.

3. The rights of students: The third objective is to focus on the rights and responsibilities of students in schools. This will allow students to act out situations that are of immediate concern to them.

4. The rights of Navajo employees or welfare recipients.

Teaching strategies: The most difficult concepts of Anglo-American tradition--negligence, criminal intent, rights against self-incrimination--have been incorporated into the tribal court system. Yet, to the extent that they are not interpreted through the perspective of traditional means of "righting injuries," they bar the student or his parent from securing justice in the tribal court.

The role of participants in the judicial process and the meaning of these terms in cases will be explored through role playing and the casebook approach.

It is the decision of our staff to forego the common "introduction to law" course that explains how laws are made and applied by concentrating on projects that allow students to make their own rules of conduct in their own institution, the high school. Therefore, the process of law making and enforcement could be contained in a project whereby the students draft and present to the community school board a code of student behavior. As they draft this code, the primary issues of due procedural rights and constitutional guarantees will be given immediate relevance to them.

Teachers should request that local car dealers provide them with sample copies of their conditional sales contracts. Local small loan companies should be requested to provide the teacher with a sample copy of the loan application and promissory notes. Use of local contracts adds an important element of reality to the course.

Students whose parents deal in pawn can also be requested to bring in pawn tickets to be copied (and returned) and examined critically by the class.

You, your parents, and all of us who buy goods and services are consumers. To consume is to use up goods and services. We buy goods and services to use up or

consume. The pleasure we get from consuming goods and services keeps us going back to the market place time after time.

Most of us do not have all the money we would like to buy all the goods and services we want. We must therefore learn to choose. Learning to choose intelligently is very difficult, especially when there are many different ways and places to spend our money.

Consumers are beginning to organize into consumer groups that publish reports on many problems buyers face. Many producers themselves are getting more interested in helping the buyer make a wise choice, but consumers should do their best to help themselves. There are ways for consumers to save themselves trouble.

THE BEGAYS GO TO GALLUP (A True Story with only the Names Changed).

Mr. and Mrs. Begay live near Crownpoint in a hogan. Mr. Begay receives BIA welfare. They also have a few sheep. They have five children. They need a good car to haul water and wood and to go to the store. Neither Mr. or Mrs. Begay went to school past the third grade. They both speak very little English and read hardly any, because in their day the schools were not very good.

Mr. Begay and his wife went to Gallup to buy a car. They went to Jones Pontiac Company because they advertise on the Navajo Hour on the radio. They could not afford a new car, so they picked out a 1964 Pontiac that had bright blue paint.

The salesman did not speak Navajo. He talked very fast. He told the Begays that the Pontiac was a "good car, real fine, and runs real good."

Mr. Begay started the car. Black smoke came pouring out. He asked the salesman to let him run it around the lot.

The salesman got angry and said that if they didn't trust him, they could go run along. So Mr. Begay decided not to say anything more and to buy the car.

Mr. Jones said there was a $200 down payment, and that Mr. Begay should sign a blank paper right then. Mr. Begay signed the paper. Mr. Jones did not give him a copy.

Mr. Jones said that the car needed some minor things--a carburetor cap, a bumper jack, a spare tire, and insurance. Because it was 5 PM, Mr. Jones promised to have the car ready at 10 AM the following morning.

Mr. Begay and his wife hitched hiked home to Crownpoint. Begay said that if the car was not ready, he would get the money back. They were very happy, but they had made some bad mistakes.

What were some of them?

Mr. and Mrs. Begay should have brought somebody to speak English to the salesman and to read the paper that they signed. One of their children in high school speaks and reads English well. He could have asked some more questions, like:

a. How much is this car all together? How much do I pay each month?

b. Why is this paper not filled out with the price and payments?

c. How much <u>interest</u> will we pay?

Question: "But why is all this important? The Begays wanted a car, and they found one that they wanted. Isn't that what is important?

No. The Begays, like most people, have only a little bit of money. The price they pay and the payments they make will mean that much less food and clothing. They will not be able to attend squaw dances and sings when they want.

The paper in English, and the statements of the salesman are the most important things that the law will consider if anything is wrong with the car.

Who will testify that the salesman said the car runs good if no one speaks good English? Why didn't the salesman write things down on paper if he was trying to be fair?

Two rules should come from this:

1. Bring someone who can ask all the questions you want to ask the salesman about the car's condition, the payments, and the price.

2. Bring someone who can tell you what the salesman writes on the paper.

You should remember that the Jones Pontiac Company is not the friend of the Navajos. None of the motor companies are friends of the Navajo people. The car dealers die rich. The car buyers die poor in their hogan with an old car body rusting away in the arroyo. This is a fact for anyone.

Car salesman get part or all of their pay in the money they get for selling cars. This means, the bigger the profit, the more money they take home.

The car salesman does not care if the car will run or not on the reservation roads or in mud or snow. He does not care how safe it is. Most of all, he does not care if it is a bargain. He only wants you to sign the paper for the highest price possible.

Who else should the Begays have brought along? The Begays should have brought their son who likes to work with cars. He would have known that black smoke was a sign that something was very wrong with the car. Anyone can shine up the color on a car with a little wax. But what about the engine? Did it need an expensive overhaul? Was the engine block cracked?

When the salesman got angry, Mr. Begay should have known that something was very suspicious. No one should buy a car that he is not allowed to drive. Would you buy a sheep or a horse that was locked inside the barn where you couldn't see it? Every smart Navajo shopper knows that you should pick up and examine something before you buy it. Mr. Begay may have been suspicious when he could not get the car that day, but by then it was too late.

Conclusions:

1. The car dealer is not your friend.

2. The <u>salesman</u> is not your friend.

3. Bring someone to speak English, because asking the right questions and reading the paper is very important.

4. Bring someone to inspect the car to see whether it is in good working condition and is worth the price that the salesman is asking.

We have talked about the Begays and what they should have done. Let us return to their story and see what happened to them.

When the Begays returned to the Jones Pontiac dealership, the salesman offered them a 1956 Buick station wagon for exactly $200. The Pontiac was nowhere in sight.

The Begays were annoyed, but they were also impatient. They had made two long trips to the car dealer, and they wanted to have a car to drive home.

The salesman, Jones, said that the Buick was in "pretty good shape." He also said that Mr. Begay had signed the paper, and so had bought the car.

Mr. Begay and his wife got in the car and drove off. They went only one mile and a half down the road when the car began to give them trouble. Mr. Begay saw oil draining from the car. When he opened the hood, he found that the transmission fluid was leaking, and the battery was cracked.

He had a garage mechanic look at the car. The mechanic put four cans of oil in the car and warned him that the motor would overheat, and the transmission would freeze if the car were taken another foot. He said it could only be repaired enough to get it back to the dealer's lot.

Since it was 5 PM, the Begays left the car and hitchhiked home.

What did the Begays do wrong? The main thing was that they let their impatience get the best of their judgment. They had picked out one car and liked it. The next day the salesman hid that car and gave them another. They did not think that the salesman was tricking them.

Navajos know that people who act quickly and foolishly about property are not well. A wise Navajo takes care of his property. Did the Begays take care of their money?

The trick that the salesman pulled on the Begays is called "bait and switch." A salesman will use a good car or a fancy television at a low price as the bait to make the people sign a contract or come to his store. Then, when it is time to buy it, he will substitute something else.

What the Begays should have done was to demand their money back and go to another dealer. The salesman tried to stop them by saying that they had signed the paper, BUT THEY THOUGHT THEY HAD SIGNED THE PAPER FOR THE PONTIAC, NOT FOR ANY CAR ON THE LOT.

Now it was clear why the salesman had had them sign the paper without filling in the blanks. He knew that he would not fill in the word "Pontiac" for the description of the vehicle purchased. Instead, he would fill in the word "Buick."

The Begays fell for a very familiar trick of car dealers who deal with Navajos. The salesman ask, "How much do you have right now?" Then, they point to any old car and say, "That's how much that one is exactly." The price of the car will depend upon how much money is in the Navajo's pocket. The only sure thing is that the car price will always be too high.

How can a Navajo know that the price is too high?

1. He can go to other dealers and ask to see the same kind of car. This will save the Navajo who walks around a little hundreds of dollars.

2. He can shop away from the reservation, in Albuquerque or Phoenix. Prices near the reservation are almost always higher.

3. He can write down the price and go to a DNA office near his home. There are books with the national fair price of every kind of car and pickup. This is the book dealers use to set their own basic prices. If the price is very much higher than the one in that book, then it is a bad deal, and the Navajo should look for another car.

The Begays also did not learn a second lesson:

1. They did not inspect the car.

2. They let the salesman tell them that it was in "pretty good shape," meaning that it was a good running car in good mechanical condition, when it wasn't.

What does "pretty good shape" mean to you? It can be "pretty good shape" for a 1956 car, since the rest of them are in the junkyards and abandoned, and this one is still on the lot. It can mean "pretty good shape" but not very good. Or, it can be "pretty good shape" for a car that has been in three wrecks.

What the salesman told them was nothing at all. Lawyers call that kind of talk "puffery." It is like the air in fried bread that makes it look big and tempting, but the air does not fill you up.

What other kinds of sayings are just puffery? "It's a beauty." "Real good." Compared to what? "First in its class." What is its class? "Nothing like it." Maybe that's a good thing for other drivers.

Salesmen can get away with puffery and fried bread talk when customers don't ask specific questions about the car. Here are some of these:

What kind of guarantee will you give me that it will keep running?

If it breaks down, will you repair it for free?

How many miles does it have on it?

When was it overhauled?

How old is the battery? How old are the plugs?

A million questions won't do the job of a thorough inspection. Why didn't Mr. Begay see the cracked battery before he drove the car away? Didn't he see some oil spots on the ground under the car?

MR. BEGAY FIGHTS BACK

The following morning Mr. Begay returned the Buick and complained about how it worked. The salesman told him to leave it on the lot with the keys inside. He admitted that the car was no good, but he refused to return the $200, and refused to repair the car.

Mrs. Begay went to the dealer a second time, two days later. Mr. Jones told her that she could have the Pontiac that the Begays had thought they were buying in the first place since the Gallup Finance Company had approved the Begays' credit. But when she returned the following day after discussing the matter with her husband, the salesman changed the story again.

He refused to give her the money and threatened to have the police tow the Buick to the junkyard if they did not accept it.

Then the Begays went to a lawyer.

THE LAW AND WHAT THE BEGAYS DID

The lawyer reviewed the case of the Begays. He found some things wrong in what they did, but he also found some illegal things that the salesman did that would allow the Begays to go to the state district court and ask for money damages against the salesman and the car company. The Begays could sue, or file a civil complaint, because New Mexico has some laws about commercial dealings that buyers and sellers should know about.

The complaint that the Begays filed was not a criminal complaint. They did not say that the salesman or the car company committed a crime. If they had filed that kind of complaint, a policeman would have arrested the salesman and the owner of the car company. If the judge had listened to both sides of the story and found the salesman guilty, he would have sentenced the salesman and the owner of the car company to pay a fine to the state of New Mexico or spend time in jail.

This did not happen, and for a very good reason. The Begays wanted money for themselves, the two hundred dollars they had paid in, and money paid to them for the

tricks and illegal acts that the salesman had committed. So the complaint they filed was a civil complaint. It was in the court, but was still a private fight between the Begays and Jones.

TRICKS SALESMAN USE TO MAKE YOU SIGN THE PAPER AND NOT ASK TOO MANY QUESTIONS ABOUT THE CAR

1. The salesman may be very friendly. He smiles a lot and speaks a little Navajo. He buys your little brother a coke. He says that the baby is the cutest he has ever seen.

2. He acts angry and impatient and says that you should hurry up, that you are wasting his time. He rushes around a lot and makes you hurry after him.

3. He ignores you. This is a favorite trick. He pretends not to see you so that he will not have to answer questions.

All that the car dealer wants you to do is to sign the paper. He knows that after that the court will be very friendly to him, whether the car breaks down or not later on. The court will expect that you have already had an opportunity to look at the car and to discuss how much you have paid. It will also expect that you have read the contract.

The Navajo buyer may not realize that the deal he makes is in that paper, and not in his talks with the salesman. The law will disregard the "sweet talk" of the salesman unless he says something which is specifically false and only to make the sale.

In Navajo history, the People have been great trading people with other Indians, Mexicans, and, later, with the Anglos. Much of that dealing was based on personal trust and knowledge of the other person, and close inspection of the goods, animals, or other things. What the person said, and what the thing bought looked like, counted for everything.

Unfortunately, this is changed when the Navajo buys a car. It does not matter what the man says or does not say. What is important is the piece of paper, the contract.

The contract is a written agreement between a buyer and seller, and this is how it started. Long ago, a buyer

and seller would bargain and discuss what was written. Then they would sit down and put their agreement in writing.

If a horse were being sold, the contract would be like this:

"I, Mr. Seller, offer you a horse for ten dollars. I, Mr. Buyer, accept your horse for ten dollars, and pay you one dollar right now.

Signed: Mr. Buyer

Mr. Seller"

The dollar that Mr. Buyer paid was called "consideration" and sealed the deal.

If Mr. Buyer said, "Maybe I will pay five and not ten" while he was signing the contract, no one would pay any attention. Only the written deal counted. This rule is still part of contracts. What is written counts for almost everything.

But today, instead of sitting down together and putting the deal in writing, the salesman hands the buyer a contract with lots of legal and technical writing already down there. Then he adds some figures. This makes it very hard for the buyer. It makes it especially hard for the Navajo buyer, who is used to making a deal by talking it over in a friendly manner.

CLASS ACTIVITY

To illustrate how the buyer and seller in the car lot have different goals, the following game should be dramatized.

A is the Navajo buyer. He is interested in asking questions about the car, how much it costs, and how good it is.

B is the salesman. He is interested in getting the man's name on the piece of paper.

Instructions: Let two class members try to act this out, to see if B can get A to sign the paper before

A finds out if the car is in good mechanical shape, how much it costs, and how many payments he must make.

HOW TO BUY A NEW OR USED CAR OR TRUCK

1. TEST DRIVE. Take the vehicle up a steep hill in low gear, and listen for any strange noises.

2. LOOK AT THE BRAKE PEDAL for signs of wear. Then CHECK THE MILEAGE. If there is low mileage on the dial but a worn brake pedal on the floor, STAY AWAY.

3. Check the ball joints and tie rods for wear, and check the brakes.

4. ALWAYS ASK WHO OWNED THE CAR BEFORE. If they don't give you the information, TELL THEM TO GET LOST.

5. If you're not sure about the car or pickup, TAKE IT TO A RELIABLE GARAGE and have them lock it over. Even if you have to pay $10, you'll be better off in the end. --Why buy a pig in a bag, if you can help it?

6. Try to buy the car or truck without a trade-in first. Only after they've told you what the vehicle will cost you, without your old car or pickup as a trade-in and how much they'll give you for your old car.

7. Always find out about the GUARANTEE, and what's included in it.

8. Remember that a good-looking car or truck doesn't always run as well as it looks.

9. Always play it safe. It's better to be sure than sorry. TAKE YOUR TIME and SHOP AROUND before you buy.

MORE THINGS TO LOOK FOR WHEN YOU BUY A CAR

When they put tricky language in the paper they want you to sign, make them cross it out, or go somewhere else.

Here are some examples of tricky language:

1. "THIS CAR IS SOLD AS IS, UNLESS OTHERWISE STATED

BELOW." Even if the salesman promised to fix the car if it breaks down, this says that you buy whatever problems come with the car, unless the salesman puts all of his promises in writing right on the contract.

The law says that this is not ture, that the salesman can make promises to you that cancel out this language. But anyone who uses this kind of contract is not to be trusted. If you don't speak good English, he will probably say you did not understand what he was saying. So, make him write it down, or walk away.

2. "THE SPEEDOMETER READING ON THIS VEHICLE IS NOT GUARANTEED." Anybody can change the mileage reading on the speedometer. If it only shows a few thousand miles, but the pedals on the car are worn and other parts look old, watch out. Anyone who puts this on a contract may be the one who sets back the speedometer. Unless he is willing to scratch out this writing, walk away.

3. "THIS INVOICE [paper to order the car] STATES ALL CONDITIONS OF THE TRANSACTION." Again, this means that what the salesman says does not count unless he writes it down. Make him mark this out. Make him write down his promises. Walk away if he does not.

Did you get a copy of the paper you signed? Was it all filled out? If not, refuse to sign it.

These are rules for you and, rules for your parents, too.

CONTRACTS

Because the Navajo language is not known to most of the people who speak it as a written language, most agreements made between two Navajos are not written down. However, it has been the tradition among the Navajo people that these verbal agreements were handled very much like written contracts as they exist today. The primary difference between the verbal contracts of the Navajos and the written contracts is that time was not such an important aspect of the verbal agreement among the Navajo people while it is a very important factor in the formation of the written contract.

This is largely the reason why many Navajos do not pay according to the time schedule put into a contract which they have signed for a motor vehicle or other merchandise. As long as they pay within any one given month, they feel that they are abiding by the terms of the contract. They do not realize that every time they make a late payment a late charge is added to their balance. Over a period of several months, this may become a sizeable sum. When they make their final payment, they are surprised to find out that they still owe some money which may equal the sum of one additional monthly payment.

The paper you sign when you buy something that you will be paying for over a period of time, like a pickup, is a contract.

Several things happen when you sign a contract at the car dealers that many people do not know about.

MOST CAR DEALERS SELL THE DEBT (CONTRACT) TO A FINANCE COMPANY OR TO A BANK. This means that instead of owing money to the car dealer, you owe the bank or finance company money for the car. It is very important to get this straight.

Many Navajo people who receive a payment book from a finance company still go to the car dealer every month with payments. The car dealer sends the money to the finance company.

Giving your monthly paymen to the car dealer is a very dangerous thing to do. In one case, a car dealer kept the money to use for his own expenses, and sent it to the finance company late. Every time this happened, the finance company would add a late charge of an extra $5 to the bill of the Navajo. The contract said that the finance company could do this if they got the payment late. So, the Navajo paid on time, but because the car dealer was not honest, he was left owing an extra hundred dollars at the end.

THE WAY TO PAY

NEVER give the car dealer cash, and NEVER give cash to the finance company, unless they give you back a RECEIPT. A receipt is a paper that shows you paid someone some money. It shows, in the case of a car payment, the amount you paid

and the date you paid it, the number of the payment, the amount you still owe on the car, the date the next payment is due, and the signature and title of the person you gave the money to. Even if the person you are giving the money to gets angry or impatient with you, you should still demand that piece of paper.

SOME GOOD WAYS TO SEND MONEY

1. A MONEY ORDER. Keep the receipt, put the date on it, and also where you sent the money. A money order can be bought from a bank or bought from the post office.

2. A REGISTERED LETTER. You pay at the post office for a signed receipt from the person who gets your letter, and also for insurance, in case anything happens to the money in the letter.

3. A CHECK. If you open a checking account in a bank, you can write checks on it and the checks are returned to you when they are cashed. Your returned check makes an excellent receipt.

A STORY

Mary Yazzie went to the trader and borrowed fifteen dollars on a bracelet. She got her pawn ticket that showed how much she owed. The next week she went in and paid five dollars on her account. She gave the money to a clerk. The week after that she came in with the rest of the money and the interest she owed. The trader said she still owed all of the amount. The clerk said that she had put that five dollars on a food bill that she owed.

If Mary had received a receipt, she could have proven that she had paid on the pawn, and not on her food bill.

The receipt is the buyer's record and his legal paper.

WHO PAYS?

Often a trader will expect the sons and daughters of a dead person to pay the bills. Is this right?

If the things were not bought for their use, they do not have to pay. If the dead person left money, his bills will be paid first.

Does this mean that a mother or father do not have to pay for food bought at the trading post by the children? No, necessities like this are still the responsibility of the parent to pay for.

But a child cannot go into Gallup and buy a car that his parent might have to pay for unless the parent signs the contract.

Suppose a friend is buying a car, and the salesman asks you to sign too?

Be sure you know what you are signing. A witness to the mark or thumbprint of a man who does not read or write is only saying that he will swear that it is his friend's mark and not the mark of someone else, because he was there when his friend made the mark.

But, if you write your name down as a co-signor, this means that you have the same legal responsibility to pay for the car as your friend does, even though your friend drives it and enjoys it.

Many traditional Navajo husbands and wives like to keep their property, their bills or accounts, and their money separate. But the law of New Mexico and Arizona says that both husband and wife owe <u>together</u> for bills when they buy food, livestock, vehicles, or other things. This means that the husband or wife at home is responsible for paying the debt that the other one makes in town when he or she buys a car or pickup.

So it is important that husbands and wives discuss together the things that they buy for the use of the family, even if the payments are to be made out of the husband's check only. The same is true of pawn transactions by the wife. She should get her husband's suggestions.

To keep from being trapped by the trickery of the white man's law, husband, wife, and children, must help one another make decisions about property that relate to the happiness of all of them.

REPOSSESSION

Taking the car from a man who cannot pay for it is called REPOSSESSION. Although the contracts between buyer and seller say that the seller can do this, there are important things that the seller cannot do.

The seller must get written permission from the Navajo buyer to remove the car from Navajo land, or he must go to the Tribal Court for repossession.

This is the tribal law. Many car dealers do not obey it. The law provides that car dealers can be denied entrance to the Reservation if they are caught acting against tribal law in this way.

Another rule is that the dealer or his employees cannot "breach the peace" when they take the car.

What is a breach of the peace? This means that the car dealer's employee cannot push you around. He cannot break down your fence or do any damage to your property when he takes the car.

Summary: Although the contract says that the car dealer has the right to repossess, a Navajo on Indian land does not have to give the car back unless the person from the car dealer has permission from the judge of the Tribal Court. If the employee of the car dealer gets rough and tries to pull the man from his car, the man has a legal right to defend himself and to fight back.

This does not mean that Navajo people can keep a vehicle forever if they are behind in paying for it. But sometimes it is easier to arrange some new payment terms when you hang on to the vehicle.

MORE ABOUT THE PAPER YOU SIGN

Suppose your contract says that the seller (and later the finance company, if they buy the contract) "reserves a security interest in the goods."

This means that the man you owe money to can take back the thing you bought if you don't pay for it. This is what we were just talking about as repossession.

In this way, a pickup you buy is like a bracelet that you pawn. It is the first thing that the lender will take to satisfy the claim he has against you. Even when he checks to see if you have a job or money to make the payments, it is the pickup that is the first thing he will take back.

Some car dealers in Albuquerque play this trick on Navajos. They sell an old car for $300 and they take $100 for a down payment. If the Navajo is one day late on his next payment, they come out to his hogan and take the car back.

They say he is in "default." This means that he did not keep his promise to pay on the first of every month, so he broke the contract. The Navajo loses his one hundred dollars. Then the dealer might sell the car to a second person, for maybe two hundred dollars. If this man also does not pay on time, the dealer will take the car and again keep the down payment. Then he will sell the car to a third Navajo.

Many people believe that they can return a car to the dealer if they cannot pay for it. They think that they will lose what money they have already paid, but that this will be the end of the problem for them. They are very surprised when the sheriff's deputy brings them a paper from the court asking for more money.

Why is this? It is because the price of the car on the contract is still the amount that you owe. Even when you return the car to the dealer, the one who holds the paper against you can ask you for the amount that is the difference between the price of the car and the amount you paid already. He could get a judgment in court for that amount and add to it the price of the lawyer that he hired to go to court for him.

For example, the car cost $900. Mr. Yazzie paid $100 for a down payment, and he made one additional payment of $50. Then he went in default by missing a payment. The car dealer demanded that all of the remaining money be paid at once, or they would take the car back. This money amounted to $750.

It was the car dealer's right under the contract to ask for this money. Mr. Yazzie could not pay. The dealer came and took the car.

But it did not end there. The dealer sold the car for $300. He then told his lawyer to sue Mr. Yazzie for the rest of the money, $450.

This additional money is called the deficiency. It means the money that is left owing in the first contract you sign.

In New Mexico, the lawmakers changed this rule to stop some of the problems. If the seller decides to take the car back, he cannot ask for anything more from you. But if the seller does not want to take the car back, he can go to court for the money you owe.

This means that if the car is really a good one, he will take it back. If it is a piece of junk to begin with, he will go to court to get money from you.

A Navajo recently left a car that had broken down by the road and called the car dealer to take it away. He refused and said, "You still owe me $300." Unfortunately for this Navajo, the law about how much he owed was on the car dealer's side.

WHAT THE CONTRACT DOES

We have learned that the contract is the piece of paper that writes down what the buyer and seller have agreed on. It is always written in English, and so is a problem for a buyer who cannot read it and who does not bring along someone who reads it to him.

There are some parts of a contract that very few people can understand. We will spend some time looking at them, but first we should think about the buyer and the seller, and who they are.

In the case of Mr. Begay and his dealings with the Jones Motor Company:

1. Why did Mr. Begay deal with the salesman, and not with the owner of Jones Motor Company?

2. Was the salesman the seller, or was the car company the seller?

The law makes the salesman the agent for the seller. What he says and does are exactly the same as though the owner were doing it and saying it.

An agent acts for another person with his permission. The owner sends the salesman out to sell cars. If your father sends you out to the store to get some milk and you buy it, you act for him. You are his agent. You also will make him responsible if you get into an accident while driving his pickup.

If the salesman does bad things and tricks the customers, not only will he be responsible, but the owner, whose agent he is, will also be responsible.

Can a buyer send someone to purchase the car for him? Yes, this is also possible. The Navajo buyer can have someone who reads and writes English act for him and sign his name.

Sometimes the salesman asks the friend who comes with the buyer to sign his own name to the contract. Should he do this? No, not unless he understands that he is taking the consequences upon himself, and is just as responsible as the buyer is for paying for the car.

The man who signs with the buyer is called the co-signor. If the other man takes the car and does not pay for it, the court can make him pay.

Question: Suppose one brother buys a car. He is the one who signs his name on the paper, and he is the one who uses it. He is counting on his brother, who has gone away to work, to make the payments, because he promised he would. If the brother who is away does not pay as he promised he would, what happens?

Answer: The law will say that the one who signed the paper owes the money. It will not look for the brother who

went off to work, to get him to pay. That will be between the two brothers.

Will they have a contract? Maybe yes, but probably not. Remember that the contract under Anglo law requires three things:

1. A offers to do something (I will pay for your car).

2. B accepts this promise (I agree to let you pay for my car).

3. Consideration (payment) is given.

If Brother A says, "I will buy your car for you," and B does nothing but stare at the fire, and only buys a car much later when he needs one, A's promise will not be part of a legal contract that the tribal court will recognize.

But Navajo contracts are not like this. Under the traditional way, people could depend on promises without doing these special things. This is still the way among many Navajos, especially with agreements between family members.

THREE R'S TO REMEMBER ABOUT CONTRACTS

1. Read document.

2. Require a reason for every word you don't understand.

3. Receive a correct copy of every document you sign.

WARRANTIES*

A warranty or a guarantee is a promise by the seller that the product sold will be of a certain kind or will perform in a certain manner. "This TV is guaranteed to operate for two years," is an example of an express warranty.

It is not necessary for the seller to actually make any promises orally or in writing for there to be a warranty. If the seller says nothing at all about warranties, the law will imply some warranties. This means that the seller must live up to these implied warranties. although he has made no promise to do so.

What are these implied warranties? The first is called "merchantability". This warranty requires the product to be of fair average quality. In other words, to be merchantable, a TV set must work as a TV should. It doesn't have to be the finest product made, but it must be basically good. A TV set without an "on-off" switch or which would only get one channel and whose volume couldn't be adjusted would probably not be merchantable.

Another implied warranty is called "fitness for the particular purpose". If the seller knows what the buyer is going to do with the product and that he is relying on the seller's skill and judgment in picking out the merchandise, this warranty will exist. For example, suppose you decide to build some wooden steps in front of your house. You go to the lumberyard and tell the owner that you want lumber to build the steps. He suggests that you use 1/4 inch plywood. The next day a friend comes to visit and crashes through the steps. Without expressly saying so, the seller has made a warranty that the lumber would be fit for the particular purpose. The warranty was breached (not lived up to), since the stair collapsed.

---

*Reben, Howard T., and West, Michael G., Buyer's Guide to the Law. Boston: Cambridge and Somerville Legal Services, Inc. and Pine Tree Legal Assistance, Inc., 1971, pp. 16-20, "Warranties"
Reprinted by permission of the authors.

The seller can also make what are called express warranties. This is done by stating that the goods are warranteed for two years, as in the TV example above. However, to create such a warranty, the seller need not use such words as warranty or guarantee. It is enough if he makes statements about the description or nature of the merchandise. Statements which would be warranties must be distinguished from just sales talk, which does not make a guarantee. Statements such as "this car is a cream puff" are just idle talk, which neither the courts nor most buyers take seriously.

Remember that at the beginning of the discussion of warranties we said that the law would imply some warranties if the seller said nothing. What if the seller says something like the following warranty?

****

WARRANTY: The enclosed electric shaver is warranteed for 60 days against defects in the manufacture. The company will replace any parts if in its sole opinion they were defectively manufactured. The consumer must pay the cost of mailing and labor charge. This warranty is given in lieu of any other warranties, express or implied, including the warranty of merchantability and fitness for the particular purpose. Kindly sign the attached post card and return.

****

What does the warranty mean? What is its effect? Notice that the party who will determine in his sole opinion whether the shaver is defective is the manufacturer. Since the manufacturer promises only to replace the parts, the consumer will still be stuck with a bill, even if the fault was the manufacturer's. The words "in lieu of" in the last part of the warranty mean in place of. This excludes the application of the implied warranties of merchantability and fitness for the particular purpose explained above.

Which would be better for the buyer: to come under the printed warranty, or to rely on the implied warranties? If the seller said nothing, the buyer would have been entitled to the implied warranties. But here the seller has really promised very little, and at the same time has taken away the protection provided by the otherwise included implied warranties.

Often when buying a mass-produced article the buyer will find a warranty card inside the package. If the warranty on that card is not as good as implied warranties, it is not to the buyer's benefit to sign the card and send it in. When the card is sent in, the buyer is expressing an agreement to what is often a very restrictive warranty.

FOUR COMMANDMENTS OF CONTRACT LAW

1. Read it before you sign it.

2. Don't sign it before you understand it.

3. Don't be in a rush to sign. A bargain that can't wait is usually no bargain at all.

4. Written warranties may not be a bargain if they promise little or nothing. Don't be fooled by fancy guarantees. They may not be worth the paper they're written on.

INSURANCE AND YOUR CAR

Many people who buy their insurance at the car dealer's lot believe that they have liability insurance to protect themselves against accidents and damages that they cause.

THIS IS NOT TRUE. Car dealers do not care about liability insurance. They do not care if someone else brings an action against you or your family to get money damages (from your paycheck, or even from selling things that belong to you).

Go to an insurance agent for all of your insurance. You will get a better price that way. He will arrange terms of payment.

EVEN IF YOU GET SOME INSURANCE FROM THE DEALERS, go to an insurance agent for liability insurance to protect the things you own in case you have an accident that you cause.

All insurance companies use a little different way to figure out what your insurance will cost you. Find out from several agents what the insurance rate would be for you.

Mr. Begay and his wife are planning to buy a car on time. Almost all car dealers require collision and comprehensive insurance on cars that are bought like this, to protect their interest in the car, and the money that is still owed on the car. Mr. Begay and his wife are waiting for the salesman to add the payment for insurance into their car payments. This is a bad practice and will cost them lots of extra money. The smart thing would be to shop for insurance at the same time that they shop for a car.

Insurance agents in Gallup sell insurance the same way that cars or groceries are sold. They sell insurance for different prices. They can arrange payments to fit most budgets.

What you must pay for automobile insurance is called the insurance premium. The cost of the premium depends on what kinds of coverage you buy, your driving record, your age, the type, age, and value of your car, and the ages and driving records of anyone who will be driving your car.

There are many types of coverage:

1. COLLISION insurance will pay the repair bills for damage to your car if you hit another car, or anything else, or if someone else hits your car. A $100 deductable policy means that the insurance company deducts $100 from the repair bill. You pay this $100 yourself, and the insurance company pays the rest.

2. LIABILITY insurance pays for damage you do to other people or property with your car. A 100/300/50 policy would pay up to $100,000 for bodily injury to one person, and up to $300,000 for all bodily injuries in one accident. It would pay up to $50,000 for property damage caused by your car.

3. COMPREHENSIVE insurance pays for damage to your car from theft, fire, hail, storms, vandalism, and most other causes, like broken windshields and windows, etc., including collision with animals.

4. UNINSURED MOTORIST insurance pays the bills for bodily injuries to you and your passengers if your car is hit by a driver who has no insurance of his own, if this driver is found to be legally liable due to his own negligence. It is very cheap (only about $14 a year). Be sure to ask for it. Many people on the roads are uninsured.

5. MEDICAL PAYMENTS insurance pays medical and hospital costs of people hurt in car accidents no matter whose fault the accident is. It would cover you and your family if you were traveling in someone else' car if the driver did not have insurance or enough insurance to pay bills in hospitals other than PHS.

6. TOWING insurance pays the cost of towing your car if you can't drive it.

Let's say your family wants to buy some insurance. You are thirty years old, and your wife, who also drives the car, is twenty-eight. You drive three miles to work every day. Neither you nor your wife have ever had an accident or gotten a traffic ticket. You own a 1970 Ford pickup worth $3800. You go to Gallup to shop around for an insurance policy covering:

a. $100 deductable collision

b. Liability 100/300

c. Property damage 50

d. Full comprehensive

e. Uninsured motorist.

Here's what you find out it costs at different places for coverage for six months:

Bradley (Farmer's Insurance Group)	$178.40
Bubany	$150.00
Carney	$150.00
Clay Fultz	$154/$359
Criterion	$150.00

Fidel & Moleres	$150/300
GEICO	$121.40
Meyers	$149.00
State Farm	$167.00
Vidal	$130.40

Bradley (Farmer's Insurance Group) requires $10, and State Farm requires $15 initial membership costs. GEICO and Criterion are nation-wide mail-order insurance companies. GEICO specializes in insuring federal, state, county and city employees, military officers over twenty-five, professionals, technicians, managerial and clerical personnel, and members of their immediate families. If you qualify for such white collar coverage, your premium payments will be much less.

But there are also other important things to think about which are more important than just which insurance company is cheapest.

1. How good is the service the company provides?

2. How responsive is it to claims?

3. Do you trust the agent?

4. Is the agent looking out for you, or just himself?

Shop around and talk with a lot of people before you make up your mind where to buy your insurance. If you plan to buy a car or pickup, do your insurance shopping and talking before you buy it, so you don't get stuck with having to pay higher premium prices at the last minute just to drive it off the lot.

Insurance: a business where you pay money every year to a company. In return for your money, if an accident happens, the company pays money back to you to pay for repair bills, medical bills, etc.

HELPING YOUR PARENTS BUY A CAR

The information you have been learning can help you and other Navajo consumers take control of dealings between you and non-Navajos. Now that you know something about buying a car, you might want to help your parents, and try to get them to take your advice. Even if your parents look to you to interpret legal papers or other things, like what the salesman tells them, they may not be ready to accept your ideas about buying a car.

Who decides about buying a car in your family? Who goes along to buy it? Why? Why is it that your parents might be unwilling to ask for or listen to your advice and ideas about buying a car? If your parents want your help, how would you explain things to them, and what would you choose as the most important things to talk about to them?

Navajo people help each other take care of their property. But usually only the owner makes the decision about buying or selling it. For Navajo people, the right to sell or give property is individual. They do not seek or want advice about this important right. Your father may look to your mother or to other relatives who are going to help pay for the vehicle for advice. But your parents might not think that you have a right to speak about the matter.

The car salesman will also try to get them to ignore what you have to say, because he will realize that you may see through some of his tricks. He will talk directly at your parents, or insist on asking your parents only certain questions. The salesman will try to ignore any questions or remarks that you may have about the car or pickup.

There is a way of persuading your parents to accept your advice that will not go against the traditional Navajo way of looking at things, but will go along with it.

Your parents and many other Navajo people believe that a person should try to bring things under control. This means that a man who lets his animals run away or neglects his property is not very much respected. From years of experience, Navajos have found that good care of property is important.

The knowledge that you have about buying cars can help your parents and relatives place some control upon a transaction that they previously could not control. It will also allow them to get a pickup or a car that they can readily take care of in the manner that they want, and within the limits of their budget.

No one wants a barren cow or ewe. No one wants a truck that is broken before it is bought. Even if your parents or relatives know a lot about fixing cars, they will find it impossible to pay for a vehicle's repairs if they are very large.

Navajo people respect the opinions of older people, because these older people already know the consequences of many kinds of behavior. Therefore, older people can tell you what to expect if you act one way or another.

The information that you have about cars and buying them should help avoid consequences that your parents don't want. Nobody wants a pickup that is broken down and good for nothing but to sit and rust beside his hogan or in an arroyo. Older people will respect your advice if you emphasize the consequences of not taking care to examine the mechanical condition of the car, and of not reading the contract or getting a complete explanation of the payment terms and guarantees.

CREDIT AND HOW YOU GET IT

Because Navajo people have been denied the education, jobs, and money from their own land that they deserved, they have had to learn more than other people in the United States about how to live without money in the pocket. They have had to get the things that they need, like food and clothing, things that people who work on jobs in the cities pay for with cash, by promising to pay in the future, when a sheep could be sold, or a lamb, or wool, or a rug. If they wanted cash, they left something valuable with a promise that the trader could sell it if the money was not repaid with interest within a certain amount of time.

These methods of getting food without having cash in your pocket make living very expensive, because there is always a charge for borrowing the money you need included in the loan or in the price of the thing you buy on credit.

Most traders charge 10% a month (ten cents for every dollar borrowed) for food that is purchased on credit. Sometimes the price of the food is marked higher to include this. This may seem like a little, but think about it. Twenty dollars in groceries cost forty dollars if the bill is paid in ten months.

When people have no steady money coming in, they can't worry about how much credit costs them. But these days, with checks from Bureau of Indian Affairs General Assistance for anyone who wants to work but can't find a job, Navajo people should think about how much credit costs.

Interest is the price that you pay for spending money that you do not have in your pocket.

When you make payments on a car, instead of paying for it all at once, this interest is added on. It is called the finance charge.

For example: Mr. Yazzie sees a car that he likes for $100. The man says that $100 is the cash price. Mr. Yazzie says, "I will pay $50 down. That is all I can spare." The man says, "Fine, you will owe me the rest. Pay me $30 a month for two more months."

This means that Mr. Yazzie will pay $10 more for the car on time than its cash price. This ten dollars is interest on the fifty dollars. This means that Mr. Yazzie is paying 10% a month, or 120% a year ($1.20 in interest for each dollar borrowed) in order to pay part of this money later.

Is this a good deal? Mr. Yazzie has to think about it. How hard is it for him to earn ten dollars? It costs ten dollars to go to Gallup and eat a good meal with his family and take in a show. Ten dollars pays for the electricity or buys him some nice things for his house.

Mr. Yazzie has to decide. For the price of ten dollars he is buying two months of time in which to pay his fifty dollar bill.

One way to see how much interest adds to the price of the things you buy is to pretend that each penny in a coke bottle is 1% in interest.

If you borrow money at the bank for a car, for example, you will pay about 8%. The bank will only lend money to good risks. You need things like a steady job and a savings account. You can let the bank hold the title to the car you buy for cash until you pay them back. You must have a good record with other people in town for paying your bills.

Put eight pennies in a bottle for eight percent. If you borrow $100, you pay back $108 in a year. If you borrow $1,000, you pay back $1,080. You take the money you borrow and use it just like cash at the car dealer, paying him all at once. You pay the cash price. If Mr. Yazzie had paid the car dealer, he would have paid him the cash price of $100. He would have paid back to the bank $108 including $8 to pay for the $100 he borrowed. If he had borrowed the money to pay for the car from the car dealer instead of from the bank, he would have had to pay the car dealer $110, including $10 to pay for the $100 he borrowed. This is not much difference, $2. But suppose the car had cost $1,000. Add in the interest, and you will see that Mr. Yazzie would have saved much more if he had gone to the bank in that case.

If Mr. Yazzie does not have very good credit, he may go to the Beneficial Finance or other small loan company. These places loan money in amounts of up to $1,000, to people who are not such good risks. They advertise on television and radio about how friendly they are. But they are friendly because the money you borrow from them costs a lot more. New Mexico lets them charge 3% a month for a total interest charge of 36% a year, for money loaned in amounts up to $150. Put 36 pennies in a bottle to show this difference between the finance company and the bank.

The worst place of all, and the most expensive, is the trading post, where you can pawn your jewelry or something else. New Mexico lets pawnbrokers charge 4% a month, or 48% a year (or a minimum of $5) for the money they loan. Put 48 pennies in a bottle for the one dollar you borrow at the trading post, or at the pawn shop in the city.

SUMMARY

The money costs most to borrow at the car dealer, because it costs ten cents for each dollar <u>for each month</u> you borrow it.

At the bank it costs less than a penny per dollar for each month you borrow it.

At the "friendly" finance dealer, it costs three cents for each dollar you borrow for each month, if the amount is less than $150.

At the "friendly" pawn shop, it costs four cents for each dollar for each month you borrow it (or maybe a whole lot more, since you have to pay at least $5 for the money you borrow).

There is a big difference. It looks big when you put pennies in different bottles. It costs you and your family big when you add some zeroes to the money you borrow from each of these places, because the pennies become dollars then.

People who make it easy for you or your family to borrow money, who smile a lot, and speak a little Navajo, get a lot more money as a price of that loan than ones who do not.

Many Navajos say, "Well, the man at Beneficial is so nice, it makes it easy." Or, "The trader gives me a little gift when I go in and is nice to the children."

But Navajo people pay more for the money that they borrow at these places than at other places. The trader and the finance man who are not repaid take the family jewelry or the car for themselves.

People who think these are good places to get credit because they are friendly should ask themselves some questions. Is it easy to get the money to pay them? Is it easy to work for it in Idaho, or picking broom corn, or on the railroad away from family or friends? Maybe it is more important to ask the man who lends you money to give you a cheaper price.

The bank is the most unfriendly place of all. At many Gallup banks they stare at Navajos and even are mean to some, but they lend you money for cheaper prices if you qualify.

Many people say that they hand you a lot of papers that you can't read. They expect you to be rich. This is true for many banks. But you can see from the pennies

in the bottles that sometimes it is worthwhile to try the banks. Students who can read and write English can help their parents to fill out the papers.

WHY IT PAYS TO SET THE RECORD STRAIGHT

Sometimes a person like Mr. Begay will say, "Well, we got stuck this time. We lost two hundred dollars, but we learned a lesson from all of this."

One idea that many Navajos have is that if they get in a fight, the best thing to do is to forget about it. While this is sometimes a very good idea in fights between husband and wife, or relatives, it is a very bad idea when you have signed to buy something on credit, BECAUSE THE CREDIT BUREAU DOES NOT FORGET.

What is a credit bureau? A credit bureau is an office that all of the merchants call up to ask if you pay your bills. They have a file on every person who has ever bought something on credit in the city or area that they cover. When someone does not pay his bills, this goes down on his record. BUT EVEN WHEN SOMEBODY DOES NOT PAY HIS BILLS FOR A VERY GOOD REASON, THE CREDIT RECORD WILL SAY THAT HE IS NOT A GOOD CREDIT RISK, AND NOBODY WILL TELL HIM.

People want to get credit, and they want to be considered good risks. Why? Because the car dealers, who give anybody credit, make it up by charging high prices for cars that aren't any good. They let you get one payment behind, and then they go out and take the car. Then they sell the same car again and again.

Bad credit risks have to borrow money at the finance agencies, or at the places called "debt consolidation" agencies. The interest they charge is almost as high as the traders charge on pawn, up to 36% a year on loans up to $150.

What can you do? New Mexico law 50-18-1 requires that credit bureaus show people what they write down about them in their records. If there are lies and stories about you that are untrue, you can write the true story down. For example, the Begays, who got in trouble when they bought a car, can put a copy of the paper they filed in court into their credit record and it will show that the auto dealer was telling lies about them. That way, merchants will understand what happened between Jones and Begay.

The credit bureau records are very often unfair. Most poor people know nothing about them. It is impossible to fix mistakes in them unless someone can read and write good English, but this is another way that students can speak up and help their parents.

THE FAIR CREDIT REPORTING ACT

When can people find out about your credit rating (how well you pay your bills)? People can only check up on it when you want to buy something on credit, or when you apply for a job.

Does the credit agency ever get opinions about you from your friends or people who work with you? Yes, sometimes they do, but federal law says that they must tell you that they are going to do this kind of investigation before they do it.

Can you find out what is in the report? Yes, federal law requires the credit agency to tell you what is in your credit report and also tell you who furnished the information about you, and who asked for it.

Suppose you discover that something in the report is not true? You can demand that it be taken out of the report and that the credit agency make a new investigation. And the credit agency must tell the people to whom they gave false information what the true facts are.

WHEN YOU BORROW MONEY

Application and Financial Statement

You must list all your debts. These include all bills that you are responsible for paying. These might include your wife's purchases at the trading post on credit, and your children's purchases of necessities of life for the family.

State law does not separate the debts of husband and wife, even though Navajo people usually separate them.

The Loan Statement

A security or chattel mortgage gives the loan company the right to take and sell the thing listed as being mortgaged, if you don't pay your loan. It is just like pawn in this way, except that if the thing is worth more than the amount of money that you owe, including the interest, and it is taken and sold, then you get the difference between the amount owed, the expenses of the sale, and interest.

For example, Mr. Yazzie put his car up as security when he borrowed $100. He was not able to pay the loan back. The finance company took the car and sold it, for $500.

The loan was $100. The interest on the loan was $36. The selling expenses were $20. The loan company took $156. They gave Mr. Yazzie back $344.

What Loan Companies Can Charge in New Mexico

(The Small Loan Act)

Interest Per Month	Interest Per Year	For This Much Money Borrowed
3%	36%	$150 or less
2-1/2%	30%	$151 to $300
1%	12%	$301 to $1,000

Important Things to Remember

Make sure that you're not being charged more interest than is allowed under the small loan act (see chart).

You should always get a copy of the loan agreement that you are being asked to sign. Demand one.

Payments made on the loan pay for interest first. Then they are used to reduce the amount you owe.

If you don't pay on time, the lender, or the person he sold your loan contract to, can demand that the whole amount be paid at once, without giving you notification. This is very serious for Navajo people who do not keep very clear records, or who get behind in their payments. You should make a separate agreement with the lender to have him tell you by registered letter when you are behind in your payments, so that you have a chance to catch up.

Figuring Interest

There are two ways to add the interest to the loan. One way is to add all of the interest right away, and make it part of the loan. This means that if you make a loan that you have to pay back in a year, you do not save any money at all if you decide to pay it right away, before the year is over.

All the loan companies in Gallup figure interest this way except for the Standard Finance Company. This first way is called precomputed interest. It is more expensive for the person who can pay the money off sooner than he was to.

The Standard Finance Company only adds the interest payment on for each month that you actually use the money; that is, for the number of months that you have it before you pay it back. This means that if you have a loan that must be paid back in a year, and you pay it back sooner, maybe in six months, then, instead of paying interest for twelve months, you only pay interest for six months. You save money, because you only pay for the loan for the exact time that you use it.

You should always get a paper that shows exactly how many cents on the dollar (what percent) you are paying for the use of the money you borrow. This is required by federal law. If you are not given this information, the fiance company will have to pay you at least $100, according to federal law, if you complain and have a lawyer take your case to court.

This information about exactly how much interest you are paying should also be on your car contract and on your pawn ticket. If you do not think you have been given this information, take the papers to a lawyer and ask him about it. Stores that add interest on your food bill also have to give you this information.

THE COST OF CREDIT: TRUTH IN LENDING*

The new law works this way. Assume you have decided to purchase something--perhaps an automobile. The creditor has two basic obligations to you to satisfy the requirements of the new law.

First, he must tell you the dollar-and-cents cost of the credit or finance charge. This is the sum total of all charges you will incur in connection with your borrowing. Interest, loan and investigation fees, credit life insurance in some instances, insurance to protect the creditor against default--in fact, practically all charges involved in the credit transaction--are part of the finance charge.

Second, you must be told the annual percentage rate. Creditors can no longer use "add-on" or "discount" percentages. Instead, they must use a prescribed method--the so-called "acturial" method--that is the same throughout the nation. The rate calculated--and tables are available to creditors so that calculations can be made in a simple and uniform manner--is the annual percentage rate, or the approximate true percentage cost of borrowing.

For example: the auto you decided to purchase after shopping the market is a new model with a cash price of $3,600. This figure includes accessories, services, and taxes. You have a trade-in allowance of $900 on your old car and plan to make a $200 cash down payment. So you have paid $1,100 of the $3,600 and the unpaid balance of the cash price is $2,500. You wish to pay it over a three-year period. Let's assume you decide you want life insurance costing $68.18. The total unpaid balance--the amount to be financed--would be $2,568.18, to be repaid over a 36-month period. The finance charge, based on what would have been previously quoted as 6% add-on interest, is $462.27. This, according to the approved table, works out to an annual percentage rate of 11 percent. The total of payments equals $3,030.45--36 monthly installments of $84.18. All of these disclosures must appear in a written statement shown to you

*"Truth in Lending: What it Means for Consumer Credit" (Series for Economic Education). Philadelphia: Federal Reserve Bank of Philadelphia

by the creditor before you are asked to sign the loan contract.

Let's get away from "big ticket" items for the moment, and consider open-end credit--usually referred to as revolving charge accounts that you may have at retail stores. The law requires that you be provided periodic statements, usually monthly, if a finance charge is made, or if there is an unpaid balance of one dollar or more. These statements must inform you of the outstading balance at the beginning of the billing period, the amount, date, and description of the merchandise purchased, and the total amount credited to the account during the period. The statement must indicate the amount of the finance charge in dollars, the periodic rate used to compute the finance charge, and the corresponding annual percentage rate. Also, the balance on which the finance charge is computed, the closing date of the billing cycle, and the unpaid balance on that date, and the date by which payment must be made to avoid additional charges must be shown.

To illustrate: suppose you receive a monthly statement from a department store in which you had a previous unpaid balance of $40.00. During the month you purchased a dress for $20.00 and a shirt for $10.00. The shirt was returned for credit (your husband didn't like it) and you also made a payment of $10.00. Assuming the rate to be 1-1/4% of the previous unpaid balance, your statement would include the following information: previous balance $40.00, purchases $30.00, finance charge $.50, credits $10.00, payments $10.00, periodic rate 1-1/4% of previous balance, annual percentage rate 15%, balance for computing finance charge $40.00. You would also be informed of the date the billing cycle ends and advised when your new balance of $50.50 must be paid.

It is always smart to pay very close attention to exactly how much money you are asked to pay in interest charges. The "truth in lending" was passed to help you find out what you should know.

SOME TRICKS PLAYED ON BUYERS BY THE PEOPLE WHO SELL THINGS

There is a library full of books on being a good salesman. These are usually not books about being a sheep salesman, or a Navajo jewelry salesman, or being a pickup truck salesman, because it really doesn't matter what you are trying to sell.

"A good salesman can sell anything."

"A good salesman sells himself."

"A good salesman can sell refrigerators to Eskimos."

These are the expressions that you hear when people teach salesmen how to sell.

The buyer goes to the used car lot once every three to five years. He may buy a pickup five times in his whole life. The Navajo buyer may go shopping every week at the trading post. But while he shops a few hundred times, the trader deals with thousands and thousands of customers.

The salesman sells things all of the time. He learns tricks to get people to buy. These tricks are the same, whether the thing he is selling is a sack of potatoes or a 1972 pickup.

What are these tricks?

1. Bait and switch. You hear about a radio or TV at a very low price on The Navajo Hour, or you see an ad in the paper. It looks like a give-away.

When you get there, the salesman doesn't try to sell it. He has used this as "bait" to get you to his store. He knows that the boss does not want it sold. It is "nailed to the floor" in the shop talk of salesmen.

He takes you or your folks by the elbow and gets you looking at a higher-priced TV or radio. He gives you a thousand reasons why the low-priced radio or TV is no good for you. He actually uses his talents to make you think that that radio or TV is bad. At the same time, he talks about the easy credit or low down payment on a more expensive model. Beware of this trick.

2. Something for nothing--the "prize". You get a certificate in the mail that says you or your parents have "won" a chance to buy a sewing machine at a very low price. But what did you win? The price you pay is the same high price as the sewing machine is sold for at any store in Gallup or Albuquerque.

A salesman came to the Zuni Pueblo. He was selling pots and pans. He told Zuni ladies that, if they bought a seventeen-piece set of cookware, he would give them a set of china and some knives, forks, and spoons as "free gifts." In fact, the cost of the "free gifts" was included in the price that the Zuni families had to pay for the pots and pans. There really was no "free gift" when you added it all up. Beware of these tricks.

3. The fake guarantee. A Navajo man bought a pickup in Albuquerque. With it, he received a very fancy certificate that said "worldwide guarantee." But when the pickup was broken, he discovered that he would have to go to Albuquerque to get it fixed and pay 90% of the cost (90 cents on the dollar) for all of the parts and labor. It would cost more to have it towed than he would save. And the dealer probably charges a higher price to take in the "discount." His guarantee was not much of guarantee, and it was not very worldwide.

4. The phony former price. You see some radios in Gallup with price tags that look like this: "Retail price $50. My price $17." Or, "Was $60. Now $15." This sounds like a good deal until you ask yourself, was this old price ever the original price?

Car dealers have stickers on all of their new cars. But someone did a survey and discovered that nearly everybody pays less than the sticker price. Therefore, if you pay the sticker price, you pay more than everybody else.

The food dealer has a special. He says, buy one pound of coffee, and get the second pound for one cent. A super bargain? Only if he hasn't raised the price of the first pound to cover the second.

Beware of these tricks.

5. The special education course that makes you put your hand in your pocket. You are sitting in a restaurant and you ask for some matches. Inside the cover is a big offer.

"Be a private detective. Earn lots of money." There is a picture of a handsome guy, with a beautiful girl sitting in his fancy new car.

Ask yourself, what will you do with the diploma from the private detective "school?" Will you get a better job? Will you earn more as a policeman? Do people around here want a private detective? Even if they do, would they want one who got his training in lessons mailed to him?

There is an ad for learning how to play the guitar in five lessons. It says that you earn lots of money at dances and shows.

Ask somebody who plays the guitar how he learned to play it. See if he could play at a dance after only five lessons sent to him in the mail.

6. Those fancy bottles. You go to the supermarket to buy some things. You want some ketchup. The bottles come in all shapes and sizes. Is that to make them look nice with flowers in them? No, it is to fool you.

You buy some beer. All the brands come in six brown bottles that cost $.89 for that many, but they all look different. One brand has 10 ounces in each bottle. Another brand has 11 ounces in each bottle. But if you don't read the label, you can't tell one from the other. All the different shapes can fool you.

What's one ounce?--Well, it amounts to a half bottle, if you buy one six-pack; and it amounts to thousands of bottles for the people who fool the consumers.

There is a uniform measurement system in some stores. Those are good places to shop. They show how much things cost per ounce. You can read these cards without trying to guess which can or bottle holds more or less.

The soap packages say "big," "super," or "giant size." But these descriptions don't mean a thing. You can easily be buying just so much air in the box, and paying for it, too.

You get hamburger meat that is $.58 a pound, the same as two years ago. But is the meat the same? No. It is full of fat and water, and it swims across the pan popping like crazy. You can buy the meat with the cheap price, but it is full of gristle.

You need a sharp eye, or you get tricked. Millions of people do get tricked--every day.

7. "My hero says it's great." A very popular country and western singer who is always going into prisons to sing for people there tells you that "Zappo gas is the best." But what does he know about gas? Should you pay three cents more a gallon just because he says it's the best?

Famous sports starts always talk about things that give them good shaves or make them smell better after a game, but everyone knows they get paid for this. If they were paid to shave with something else, they would switch the next day.

Make your own choice. Which thing seems to be the best one for you--is made the best--lasts the longest--and is reasonably priced (not necessarily the lowest price in dollars) for you?

8. Toys and clothing for your little brother or sister. Sometimes people buy toys and clothes without stopping to ask these questions:

a. Will it catch fire? Some cheap things will, when your little brother or sister goes near the fire. If it looks suspicious, leave it alone, even if it's free.

b. Will it hurt a child? Sharp edges, or parts made so that they will break, mean that a toy is too dangerous for anyone.

9. Medicines used unwisely. It took some Navajo people a long time to think of the doctor as a person who can help with illnesses. It took some people a long time to get regular medical help. But the pills and the medicines the Public Health Service gives out have cured many illnesses. It is possible to say today that some Navajo people, like Anglos, believe in pills and medicines more than they should.

The fact is that some of the pills and medicines you can buy in drugstores without a doctor's prescription are good, and some are of no use at all. This is sometimes true of the pills and medicines you get with a doctor's prescription, too.

The pill manufacturers are just like the car salesman. They make pills in pretty colors, and sometimes make wild claims for them, too.

In the old days, the Anglos bought "snake oil" from the "snake oil" salesmen and thought that it would do wonderful things for them. They did this at the same time they were laughing at "foolish Indians" who found good health from the medicine man and his special chants and medicines.

Navajo people get some medical services from the Public Health Service. But many people, still unsatisfied, ask for more medicines and pay good money for placebos (sugar pills and sugar water) from private doctors, who will seldom refuse your money. Some people hurry to the drugstore to buy the patent medicines that they see advertised and hear about on the radio.

Navajo people deserve good medical services. They have a legal right to them. They can work with lawyers to get the medical service that they deserve. They should not buy sugar pills, like the unwise Anglo consumer, and pay money for things that rarely bring good physical health.

10. On approval--till you try to give it back. Lots of ads tell you that you can try out shoes, clothes, records or tapes, and other things for ten days or so, and then return them if you don't like them. Before you say to yourself, "That's fine. I'll just enjoy it for ten days and then send it back," think a little.

Ask yourself, who is going to see to it that it is repacked and sent back? Does the mail service here really allow ten days to enjoy it, or is it more like three days? If they don't return the money right away, can I spare it?

11. Record of the month--some free, but the rest? There are many clubs that give you four or five records, or tapes for your pickup, for $1. That sounds great, until you think about the catch. You have to agree to accept and buy four or five others during the year.

It is so easy to send in that first free post card, and so much fun to get the free records or tapes. But how much fun is it to remail a card (a card that you may get the day before it's due back at the record club if your mail service is poor) every month?

If you forget the card, or if you are away when it comes, they mail out a tape or record which you are supposed to pay for. It may be one that you do not like. You may not have the money to pay for it. If you send it back, they may still keep sending you bills until you get some legal help.

Another thing--are you sure you will have money all year long? Even when you are not working or are going to school? Is it really worth taking your parents' food money to buy four or five records or tapes during the year, just to get some free in the summer?

But (you reply) I have the record or tape player and want to enjoy it. Fine; so why not buy discount records or tapes or used tapes at the store? You pay more for the first four or five, but there is no obligation to buy others at high prices.

But (you say) maybe I'll just forget about paying for the others. This is a bad move if you plan to buy other things you need on credit. A bad credit record costs you money when you want to buy a pickup and need financing for it. A few tapes could wind up costing you hundreds of dollars in interest when the banks refuse to give you that loan, and you have to deal with the "friendly" loan dealer or the trader for your money.

12. The high-pressure sale. The pot and pan salesman at Zuni, mentioned above, put his foot in the door and would not leave until the lady of the house signed the contract. He took advantage of people's courtesy. He stayed for hours, asking questions about the family and its credit rating, and filling out the papers even before people said they were ready to buy.

The salesman told the buyers of his pots and pans that they would "pay for themselves" in money saved when food did not shrink. In at least one case, the salesman promised a special price, that only that one customer would receive. It turned out to be the same price that he said everyone else had to pay. The salesman promised "free gifts" that were, in fact, part of the items paid for by the consumer, according to the contract.

How can the law help these customers, and those subjected to other tricks mentioned above? The law expects customers to use their common sense. It does not protect people who are just fooled by the charm and personality of salesmen. But when salesmen create an atmosphere where a person is subjected to undue pressure (called duress), so that it is hard to say that he would have agreed to the deal without all that pressure, courts are ready then to cancel contracts, and even to award money damages to the buyer.

High-pressure sales, like those in Zuni, are full of duress, because the salesman uses specific and intentional misrepresentations to confuse the buyer. These are not honest mistakes. He doesn't just brag that his product is "mighty good" or "all right". The story about the "special price" and the "free gifts" story were intentional lies. If the consumer's lawyer proves to the court that they were tricks used to deceive the customer, the judge will break the contract and give the consumer damages.

How the Law Can Help

Lawsuits against tricky salesmen are civil suits. These actions require that you tell a lawyer and advocate all about the tricks played on you or your family. Witnesses, and papers that you received are important for the lawyer to know about before he decides how best to argue your case.

The tricks we have looked at can be divided into several groups. Some of them trick you into signing a contract that you do not want to sign. Others promise you things about the contract and about the thing that you buy that turn out to be untrue.

If you signed a contract or bought something against your own free will, or if you signed a contract only because you believed a salesman's lies and misrepresentations, you have suffered from wrongful acts. In cases like this, the court says it is not enough to just break the contract. The court also gives you damages for the act of fraud. This is not if you have suffered from what was just an honest mistake on the part of the salesman. It must be shown to the judge and jury to be a trick that the salesman knew he was playing.

Promises, or guarantees, or important statements about the things bought (that, for example, they are new and not used) that are not lived up to can result in the court accepting your legal case for breach (breaking) of contract.

Was the promise that was later broken an important reason why the buyer decided to sign the contract? If it was, the judge will say that the contract was breached (broken), because the promise was not kept.

Did the trick the salesman played on you deprive you of your free will (your normal reasoning ability), or were you just too trusting? Was it good salesmanship, or was it fraud? Your lawyer will do his best to convince a judge and jury that the tricks made bargaining in good faith impossible. Bring him your story, your witnesses, and your papers, and let him decide how to fight for you.

Many of the tricks described above are played on millions of Americans every day. The courts can help some people, but many people learn by being "burned." That is a hard way to learn for Navajo people who have little extra money.

Promises made in the contract that are broken are easier to fix in court. But were these promises written in the contract, or were they written in some "side agreement" that the court may not consider? Again, the buyer who gets it down in writing on his contract protects himself and saves himself and his lawyer some trouble.

Federal laws that protect consumers, such as the Federal Consumer Credit Acts, Truth In Lending Act, and some state laws require that certain information be shown on the pawn ticket or contract. Even if this information is not given to the consumer on his papers, so that he has no way to prove how much money he lost, the law will still give him some money.

These laws are a help to the consumer who has been tricked--but only if he takes his case to a lawyer.

All people who sell things on Indian land must be licensed. If a salesman comes to your door, ask to see his papers from the Tribe. He probably won't have them. This is a good way to get rid of a person who will abuse your hospitality and cause you trouble.

The Better Business Bureau

This is an organization run by businessmen to take complaints because, the businessmen say, bad salesmen and shady dealers give the good businessmen a bad name.

Yet, because the BBB is funded by the businessmen, they are not ready to stop the practices that are in the grey area, the ones that are not really honest, but aren't against any law, either. These are used by car salesmen, and the record and tape clubs. The Better Business Bureau is not willing to work to change the pawn laws that make Navajo people pay more for the money that they borrow. Complaints made to the Better Business Bureau really do not help much.

The Consumer Protection Division of the Federal Trade Commission

This is a part of the government in Washington, and it takes complaints about many of the tricks described above. The Federal Trade Commission people deal directly with the companies that have given you trouble. In recent months, their lawyers have asked for information about trader practices.

But they are slow, and sometimes directed by politics, for example, the number of votes the traders can give to the political party in the White House, whichever political party that is.

One of the authors of this book, a lawyer, complained to the Federal Trade Commission when the Del Monte Company offered a free bottle of ketchup for mailing in the "neckband" of an old ketchup bottle.

Around the neck of the old ketchup bottle was a special tag for getting the new bottle, with a place to write your name and address. It turned out that the Del Monte Company called this piece of paper a "cardboard collar" and not a "neckband". The bottle the "cardboard collar" came off of, and that still had the "neckband" the company wanted on it, had already been thrown away. Even a lawyer could not understand this trick.

After the lawyer wrote a complaining letter to the Federal Trade Commission (FTC), the company sent a coupon for a free bottle of ketchup. But the coupon was out of date.

So the lawyer complained again to FTC, and the FTC told the lawyer to write to the ketchup company. The company sent three large bottles of ketchup to the buyer.

But, were the three bottles of ketchup worth all the time and money that the buyer spent in trying to get Del Monte to do the right thing? Millions of other buyers probably gave up when the company told them that they had to send in the other neckband from bottles that were already in the trash.

When the lawyer-buyer asked the FTC to send copies of the letters he had written to them, and copies of the letters Del Monte had written to the FTC and that the FTC had written to Del Monte, so that he could bring a class action (a civil suit on behalf of all buyers) against Del Monte, the FTC did not even answer.

Navajo consumers are only a small number of all the buyers who spend their lives trying to get a fair deal from companies, and even from the Washington government people who are paid to protect the buyer.

UNFAIR TRADE PRACTICES IN NEW MEXICO

There is another way by which consumers might get help in New Mexico besides bringing a private suit, because New Mexico has an Unfair Trade Practices Act (49-15-2 NMSS). It is a public act that directs the state attorney general to go to the court to enjoin (stop) businesses from performing certain acts. The list it includes of "unfair or deceptive trader practices" is a good reminder of all the tricks that can be played on consumers:

> C. "unfair or deceptive trade practice" means any false or misleading oral or written statement, visual description or other representation of any kind knowingly made in connection with the sale, lease, rental or loan of goods or services, in the extension of credit or in the collection of debts by any person in the regular course of his trade or commerce, which may, tends to or does deceive or mislead any person and includes:
>
> 1. representing goods or services as those of another when the goods or services are not the goods or services of another;
>
> 2. causing confusion or misunderstanding as to the source, sponsorship, approval, or certification of goods or services;
>
> 3. causing confusion or misunderstanding as to affiliation, connection, or association with, or certification by another;
>
> 4. using deceptive representations or designations of geographic origin in connection with goods or services;
>
> 5. representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that he does not have;

6. representing that goods are original or new if they are deteriorated, altered, reconditioned, reclaimed, used, or secondhand;

7. representing that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another;

8. disparaging the goods, services, or business of another by false or misleading representations;

9. offering goods or services with intent not to supply them in the quantity requested by the prospective buyer to the extent of the stock available;

10. offering goods or services with intent not to supply reasonable expectable public demand;

11. making false or misleading statements of fact concerning the price of goods or services, the prices of competitors or one's own price at a past or future time, or the reasons for, existence of, or amounts of price reduction;

12. making false or misleading statements of fact for the purpose of obtaining appointments for the demonstration exhibition or other sales presentation of goods or services;

13. packaging goods for sale in a container that bears a trademark or trade name identified with goods formerly packaged in the container, without authorization, unless the container is labelled or marked to disclaim a connection between the contents and the trademark or trade name;

14. using exaggeration, innuendo or ambiguity as to a material fact or failing to state a material fact if doing so deceives or tends to deceive;

15. stating that a transaction involves rights, remedies or obligations that it does not involve;

16. stating that services, replacements or repairs are needed if they are not needed; or

17. failure to deliver the quality or quantity of goods or services contracted for; and

D. "unconscionable trade practice" means any act or practice in connection with the sale, lease, rental or loan in connection with the offering for sale, lease, rental or loan of any goods or services, or in the extension of credit, or in the collection of debts which to a person's detriment:

1. takes advantage of the lack of knowledge, ability, experience or capacity of a person to a grossly unfair degree; or

2. results in a gross disparity between the value received by a person and the price paid.

There is also a section about car dealers (49-15-5.1):

A. Misrepresentation of motor vehicles--Penalty.--The willful misrepresentation of the age or condition of any motor vehicle, including but not limited to resetting the odometer, regrooving tires or chassis repair without previously informing the purchaser of the vehicle that such renewing or chassis repair has been performed and noting the fact in writing in any official purchase agreement relating to the vehicle, is declared to be unlawful practice within the meaning of the Unfair Practice Act.

The car dealer must provide the buyer with a sworn statement:

B. Except as provided in this subsection, a seller of a motor vehicle shall furnish at the time of sale of a motor vehicle an affidavit which:

1. describes the vehicle;

2. states to the best of the seller's knowledge whether there has been an alteration or chassis repair due to wreck damage;

3. indicates the mileage on the vehicle at the time of sale to the buyer; and

4. indicates that to the best of the seller's knowledge, the odometer has not been altered.

In the case of a private party sale of a vehicle to another private party, an affidavit shall be furnished only upon the request of the purchasing private party.

The attorney general can get people to give back money paid when these unfair acts were involved. He can stop them by court injunction. Individuals who practiced these acts can be convicted of misdemeanors. The attorney general can get money damages for the state.

The act is not very good, because the buyer can't get damages, (extra money) only his money back. He is even stopped from filing a civil suit if the attorney general gets his money back for him.

State politics made this act a weak one. It actually stops consumers from suing and getting large money damages for themselves in some cases. In the end, it contains no more than a good listing of the tricks that can get you money damages if you have your own lawyer. The district attorneys (whose law partners may represent other businessmen) don't like to convict businessmen as criminals. Also, it is difficult to prove that unfair practices are crimes. The proof in a criminal case is more difficult than in a civil one.

In the end, a Navajo who has been cheated in any of these ways is better off seeking help from the courts on his own.

COLLECTION AGENCIES

Collection agencies are businesses that take the debts owed to other people and try to collect them. They usually get half of the money that they collect. They send all kinds of letters, and telephone people at work.

Many Navajo people get letters (about their bills) that worry them very much. The letters that threaten them or their job or that look like papers from the court are illegal. They should be taken to a Navajo lay advocate, who will write to the one agency for you.

If the letters make someone in your family sick with nervousness, you can get cash damages in a civil action in court. Also, only a licensed attorney can write you that he is going to take the debt to court; and only a licensed attorney can send you legal papers.

A collection agency is licensed by the state. Any of these bad acts can be reported to the state board that issues these licenses, and they can be reported by you or by a legal representative of yours.

Just as traffic violations go on your driving record and can result in suspension or loss of your license if you are arrested too often, the agency can lose its right to do business if it has too many complaints filed against it.

BANKRUPTCY

Bankruptcy is a court action filed in the federal court for a man who has just too many more debts than he can hope to pay.

The court takes the money and property he has (with some important exceptions that are listed below) and divides that money and property up among the creditors (people to whom he owes money). After that, all the debts are legally wiped out. The creditors cannot bother the person or his family with them again.

Property that Cannot be Taken

The home of a person in bankruptcy cannot be taken, if the home is worth $10,000 or less, and if the bankrupt person supports someone else. If a home like this belongs to a bankrupt widow, it cannot be taken, either, even if the woman does not support anyone.

A bankrupt person can keep up to $500 worth of personal property, one car or pickup, clothes, books, furniture, and things he needs to earn his living (his tools, for example). If he does not own a house, he can keep an additional $1,000 worth of property.

But, a house, trailer, or car that is only partly paid for cannot be kept from creditors. It is already security for the debt you owe the person you are buying it from, and can be taken back by him if you are not able to pay for it.

If the bankrupt person is on his own and does not support anyone else, he can keep $500 worth of property, his car or pickup, and his personal things, like clothes, books, and furniture.

Who should file a bankruptcy action? It is easier for a poor Navajo to do than it is for some other people, because he can get free legal aid from DNA if he qualifies for it. But a person who is thinking about filing for bankruptcy should consider that the people who gave him credit and who under bankruptcy will lose most of the debt owed them, will be less likely to give credit again. The trader is one of these people.

The best thing to do is to discuss it with a lay advocate or a lawyer. He will look over the whole situation. If you can settle the debt at a lower price, one that you will be able to pay, he will help arrange this.

A person who owes small bills and has a job is better off if he makes a plan with the person he owes money to, to be paid in smaller payments. These payments can be made by having his pay money garnished.

GARNISHMENT

Garnishment means that someone takes all or part of your paycheck to pay a debt.

If you owe money, the merchant or car dealer can take the problem before the state or the tribal court. There are some important rules about this:

The merchant must have a court order to get your paycheck or any part of it. He cannot get you in trouble at work, or ask your boss for your check without a court order from the state or the tribal court.

Charlie Yazzie owed a clothing store in Albuquerque $50. When he did not pay, the credit manager, Garcia, called his boss at the BIA boarding school. Mr. Yazzie's boss called him into the office.

He said, "I am sick and tired of hearing about debts that people like you owed and do not pay. You get a good salary here. I am sending $50 from your pay to Garcia."

Is he allowed to do this? No. A BIA check can never be garnished, even when the merchant has a court order. Tribal employment checks and ONEO checks also cannot be taken this way. Neither can welfare checks. Even if you work for a private company, like Union Pacific or Fairchild, your boss has no right to take a check without a court order telling him to do so.

If your boss threatens to garnishee your check, you can get a lay advocate to have the court order him to leave your check along.

Suppose the credit manager bothers the boss so much that the boss gets mad and fires you? Then you can bring a civil court case against the manager. He has violated your private relations with your boss. The credit manager or collection agency cannot telephone your boss or friends regarding the debt. It is a private matter in your private life and does not involve your job. You can get money damages from him if you lose your job over his telephone calls.

Suppose the credit manager wants to get a court order. What must he prove to the judge? He must prove that there really was a debt that you owed, and that you did not pay it.

Suppose you were cheated when you bought the thing you are not paying for? You can bring this out and get the judge to give you damages in the same action.

What if your creditor (the person or company to whom you owe money) does everything correctly, and his lawyer gets a court order. Can you stop him from taking all of your check? Yes, if you are the head of a family and reside in New Mexico, you can get 75% of your check every payday, if you ask for this in court. So, if you are paid $100 per week in take-home pay, and the collection agency gets a court order to garnishee (take) your pay-check for a $500 debt, if the agency takes all of your check for five weeks, the people there will be happy, but you will starve.

What can you do? You can get a special exemption from the court, and the agency can take only $25 each week until the debt is paid off.

THE TRADER AND THE NAVAJO

The Navajo consumer still deals with the trader more than with supermarkets, loan companies, and employment agencies.

There are many romantic ideas about the trader. The next section will discuss the trader and ways to get a fairer deal from him for yourself and for your parents and relatives.

THE TRADING POST*

Mrs. Lucille A is a seventy-year-old Navajo whose wrinkled face bears the marks of years of herding sheep, and whose eyes are dimmed by hours of weaving by firelight in her mud hogan. On September 4, 1968, her local trader came to her hogan at Ojo Encino, New Mexico, carrying her welfare check. The trader was clearly angry. He had just been informed by the postmaster that Mrs. A had attempted to have her welfare check sent to the local mission, rather than to the trading post. The trader took an ink pad from his back pocket and brandished a pocket knife. Then he took Mrs. A's right hand and forced her to place her thumbprint on the back of the welfare check.

Mrs. Ella M is a Navajo woman with nine children, living at White Cone, Arizona. On a cold, windswept day in January, she arrived at Na-Ah-Tee Trading Post to pick up her monthly social security check. The trader tore open the government envelope and placed the check face down on the counter for Mrs. M to endorse. When she protested and reached for the check, the trader grabbed her wrist, pushed her against the counter, and began to twist her arm. She managed to break loose and fled the store.

These cases are not the imaginings of Zane Grey or Bret Harte. Traders have threatened Navajo customers at gunpoint, stolen sheep from customers' property, and kept Navajo children prisoners for hours for ransom. The incidents represent the extreme confrontation between the Navajo Indian and the white trader, a relationship that is fraught with senseless violence at its worst, and that is paternal at its best.

---

*by Stephen Conn
Consulting Attorney
Ramah Bilingual Legal Education Project

and Richard Reichbart
Former Reginald Heber Smith Fellow
Current Practicing Attorney

Reprinted by permission of the authors.
This article is copyrighted, and is not for distribution or attribution without the express written permission of the authors. Not to be reprinted without the express permission of the authors.

The first traders were born of the basic nature of Navajo life. The Navajo Reservation--the largest American Indian reservation--extends from the Grand Canyon in the west, through northern Arizona, to New Mexico in the east. It covers an area of 24,000 square miles, and is a difficult land of desert and sandstone, subject to cruel winters and hot, dusty summers. It is an area perhaps better known for its stark natural beauty than for its inhabitants; Monument Valley lies in its midst, the Grand Canyon to the west, and the Painted Desert to the south.

One fourth of all American Indians, 130,000 Navajos, live here in extreme isolation and extreme poverty. Here is one of the highest rates of nutritional deficiency in the United States, and tuberculosis remains a problem. The average annual income is estimated at $1,200. Over 80,000 adult Navajos are unemployed; and in the rural areas, the majority can neither read, write, nor speak English.

The traditional economy of the Navajos remains the raising of sheep and goats. Most rural Navajo families live in extended family clusters. A typical cluster might be composed of three hogans and a makeshift corral. The circulat one-room hogan has a packed dirt floor, and a wood stove in the center. The Navajos haul pinon and cedar for cooking and heating, and water from wells that are often many miles away. Electricity is infrequent and a telephone a rarity. The isolation is so severe, with clusters of hogans scattered here and there, that one can drive for miles on the badly rutted dirt roads under cloudless skies without seeing a soul.

For the Navajo, the trading post is not a thing of the past. Today, there are 125 trading posts on the Reservation itself, a handful on fee land within the boundaries of the Reservation, and 100 on private land in Arizona and New Mexico. In each rural Navajo community, the trader is the only supplier of white society's goods and services; food, clothing, supplies, and gas are all available at his store. Because trading posts may be as much as seventy miles apart, the trader has a monopoly in his area. The Navajos in the community are dependent upon him for their survival, particularly during the winter, when the roads become choked with snow and mud.

The tenacity of the trading post as an institution stems not only from its role as supplier of goods, but from the fact that it embodies for the rural Navajo the entire

market economy: jobs, goods, and sources of credit. The trading post, standing in what appears to be the middle of nowhere, surrounded by unseen hogans, functions as small loan institution, employment center, purchaser of Navajo livestock and handicrafts, telephone service, and post office. As the largess of America's welfare state has penetrated Navajo country, the trader has survived by adding a new dimension he functions as the linguistic and cultural go-between for the Navajo recipient and government.

The trader uses one role to bolster another. For example, he secures credit by obtaining the Navajo customer's check in the mail. Thus, whichever way the rural Navajo turns, he encounters the trader. The trader's power is so extensive that the rural Navajo family is permitted neither freedom nor privacy from him. In twentieth century America, the trading post represents the company store par excellence, aided by agencies of the United States government, and holding the Navajo families in its midst in continuing economic and psychological bondage.

To understand the extent of the trader's control over the Navajos in the rural community, one must know the different functions the trading post performs.

Postal Service

The only place for the isolated Navajo to obtain mail is the trading post. The local trader may be a United States Postal Service employee, although his appointment is in violation of federal regulations prohibiting a government employee from trading with Indians. Or the local trading post may be the only place in the community where the United States Postal Service will deliver mail. Or the Postal Service employees at the local post office may forward government mail to the local trader, despite the fact that the mail is addressed to a personal post office box or to general delivery. The classic example of the last method, not uncommon on the Reservation, occurs at a certain place in Arizona. For fifteen years, the local postmistress there has forwarded all government mail belonging to customers of the local trader to the trading post. The local trader is her husband.

Why is mail so important to the trader? Almost all his customers receive social security or welfare checks. When the checks arrive at the trading post, he may do a number of things: he may hold the check, refusing to give it to the Navajo until the Navajo has used credit for groceries up to the amount of the check; he may open the envelope himself and require the Navajo to endorse it; or he may permit the envelope to be opened by the Navajo but require him to put the check face down on the counter, without seeing its value, and endorse it.

Telephone Service

By congressional mandate, the Bureau of Indian Affairs is responsible for telephone service on the Navajo Reservation. In the rural areas, the trader has the only telephone, and no pay phones exist. Thus, to telephone a Navajo, it is necessary to go through the trader; and for the Navajo to make a phone call, he must do so at the discretion of the trader. As a matter of course, government agencies call the trader to obtain information concerning a local Navajo, or to send a message to the Navajo. Thus, the trader is privy to all kinds of information concerning the Navajo families in his community.

Intermediary

The trader functions as intermediary between the Navajo families and government agencies. The Arizona State Welfare Department workers interview at the trading post. The welfare workers use the trader to interpret for them and to verify information, such as the number of children in a family, or the number of sheep owned by a family. Surplus commodities are distributed at the trading post. At one place in New Mexico, the welfare department blithely uses the trading post property for the distribution of food stamps, while the trader sits beside the distributor dispensing small loans at usurious rates to buy the food stamps. The Navajo is obliged to use the food stamps at the trading post if he requires a loan to buy them.

Quite rightly, the rural Navajo begins to feel that his ability to retain welfare payments and any other government benefits is dependent upon his maintaining the trader's good will.

Special Claims Agents

The United States Railroad Retirement Board employs traders, and only traders, as special claims agents. Special claims agents file unemployment and disability claims for Navajo workers, but they also hire the two thousand Navajos a year who go to take railroad jobs in neighboring states. The agent's remuneration in and of itself is hardly worthwhile: $.50 for each claim filed, and $2.50 for each worker hired. What makes the job worthwhile is that the traders tie the hiring into their collection procedures. Thus, if a trader has a choice of hiring Joe Begay, who shops at the trading post and allegedly owes $100.00, or John Yazzie, who chooses not to use the trading post, he hires Joe Begay. Begay's railroad check is sent to the trading post, because the trader makes out the worker's application form, which stipulates the mailing address. In Begay's absence, the trader extends credit to his family. And when Begay returns, the trader simply has him endorse the checks over to the trading post. Yazzie, of course, is out of a job. So is anyone else who crosses the trader, because the trader has a specific right according to the United States Railroad Retirement Board manual to blacklist anyone without stated cause, notice, or right to appeal. In addition, the trader may charge exorbitant amounts to transport the workers from his trading post to the shipping-out points on the edge of the Reservation. These amounts are deducted from the Navajo's railroad check when it arrives.

Credit Institution

Those beautiful pieces of Navajo "dead pawn" lying behind glass counters in stores in Phoenix or Albuquerque--turquoise and silver necklaces, pins, belt buckles, bracelets, earrings--usually have an odd history, for pawn is not only the universal small loan institution on the Navajo Reservation. It serves to bind the Navajo debtor to the trader. When one ordinarily thinks of a pawn transaction, in effect a secured loan, he envisions a pawn ticket stating the amount due, interest, and the redemption date. The traders on the Reservation have so distorted the pawn transaction, however, that it is unrecognizable. Once a Navajo pawns jewelry, a saddle, or even a car, he finds that he is unable to redeem it until he has paid for all of his groceries and other family debts. As he continues to require groceries on

credit, he may be unable to redeem his pawn at all before the redemption date. Although he may tender cash on the pawn, the trader may insist that the cash be applied to the grocery bill; and since the trader controls all government checks, the Navajo cannot determine where money from his own check will be applied. Sometimes, the trader contends that he will hold the pawn beyond the redemption date. Then the Navajo continues to pay on the pawn, despite the fact that the trader may sell it at any time, or perhaps has sold it already.

In addition, the Reservation pawn ticket--if the trader gives one to his customer--is incomplete and contains no notation as to the interest rate. The same is true for the trader's own records, as well as credit receipts on the purchase of groceries and supplies. The passage of the Truth in Lending Act has been disregarded on the Reservation, and will apparently remain so. The Reservation trader is licensed by the Commissioner of Indian Affairs and obtains his lease from the Navajo Tribe. His pawn and credit transaction are governed by federal regulations (25 CFR 252), and by the Navajo Tribal Code (5NTC), but none of the pawn or credit regulations are enforced. In point of fact, there is no way to enforce them, for Congress and the Navajo Tribe have neglected to pass an inspection or enforcement procedure. In addition, the regulation that does exist on the books is inadequate: the Reservation trader may charge 100% or more per month on pawn transactions without violating any law.

One trader remarked that, "What it takes to run one of these places is a credit manager, not a salesman." Why did he say this?

People do not look for bargains, because there really aren't any. The trader has no competition. His prices are set at high levels. The trading post at Shonto recently had prices averaging 35% higher for food, 75% higher for clothing and for other dry goods than the prices he paid for these things himself. In the old days, the United States government allowed no more than 22% profit.

The trader says that his high prices are due to the cost of transporting his goods to the trading post from town, but some Gallup wholesalers (people who sell to stores) say they do not add anything to the price they charge the trader for carrying these goods from town.

One reason for high prices at the trading post is that because the trader sells on credit, he includes a hidden interest charge in his prices.

The trader also charges high prices because he has no competition. When he says, "If you don't like it, you can go across the street," he means that you can drive all the way to Gallup if you want to shop some place else.

The trader does not give you gas on credit, because he wants you to stay where you are, and buy from him.

Your grandmother is a careful shopper. She inspects the goods and takes her time. But unless she knows more about the laws that will help her, she cannot do much about some of the bad acts of traders.

Your grandmother might spend money that she does not yet have because she knows that she can get "book credit" for all checks and money coming to her at the trading post. She spends money that is due her. You cannot spend money at the supermarket if you don't have it yet. But spending money you don't have at the trading post means that you can't do what you want to with your check when it comes, because the money is already spent. The trader takes it to pay off your bills, and then gives the difference in more credit to be used at his store.

Your grandmother always traded in this way because money was scarce. Credit for money they would get from checks or from wool or lambs was absolutely important to pay for necessities of life, like food and clothes.

TODAY, WHEN CHECKS COME EVERY MONTH, IT IS POSSIBLE TO SPEND THE MONEY YOU OR YOUR FAMILY HAVE. BUT OLD HABITS THAT WERE GOOD AT ONE TIME ARE HARD TO CHANGE. You should talk to your family and explain that they can spend their checks somewhere else, if the money from the checks is not spent before the checks come, and the money can be used to buy much, much more.

Your grandparents did not care how much credit cost. It was too important to survival. Today, people should start asking how much they pay for credit. Today, people have more choice than they did in the old days.

Purchasing Agent

There are over six million sheep and goats on the Navajo Reservation raised by Navajo families. They dot the hillsides and cover the roads. Almost all of the wool and lambs are sold to the trader, who in turn sells them to buyers off the Reservation. They are sold to the trader on credit. During the winter, the Navajo desperately needs food and supplies; and he obtains credit on the understanding that he will sell his lambs to the trader in the fall, and wool in the spring. The trader's profit after resale is usually over 100%. This has been the accepted practice for years; and most Navajos, unfamiliar with the mechanics of marketing, have no idea what happens to their lambs and wool once the trader procures them. Similarly, the famous hand-woven and hand-dyed Navajo rugs are generally sold to the trader.

Towards a Solution

The unquestioned authority which the trader has in the rural community permits him to a large extent to be his own law. Even if he does not exercise this power, the fact is that his domination of the Navajo's economic life is all-pervasive, and he is feared. This capacity for direct or indirect retribution against Navajos and their families effectively inhibits those Navajos who might report illegal acts to law enforcement authorities. Further, the trader is inevitably on a first-name basis with bureaucrats and white officials, who find it easier to relate to him than to the Navajos they are supposed to serve.

Initially, the Office of Economic Opportunity legal services program on the Reservation, Dinebeiina Nahiilna Be Agaditahe, Inc., which translates as "attorneys who work for the revitalization of the Navajo people," tried to deal with trader problems on a case-by-case approach, but it became clear that the pressure the trader could apply to individual clients was too great; and even if action was successful, the trader's practices did not change. Besides, the case-by-case approach did not solve the basic problem, that the Navajo client was controlled by many strings in the trader's web of activity. The lawyers discovered that the only way to begin to dispel the trader's power was to rip away from him some of the many jobs he performed, and to divest him of some func-

tions, so they would no longer be interdependent. When one thinks, for example, of a typical small town, one imagines a post office, two or three general stores, a gas station, a purchaser of livestock, an employment service, a small loan business, and a welfare department without intermediaries. But the trading post is all of these things.

The object, then, became to not only rip away the different jobs from the trader, but to simultaneously set up alternate institutions to perform those jobs, preferably institutions operated by local Navajos. This divestment process required giving the local Chapter House some real control, so that the Navajo community would be able to conduct its own affairs.

In application, this approach by DNA, Inc., has required active work in and with the communities themselves, work conducted outside the courtroom. The lawyers have been assisted by a young activist Navajo group, Southwestern Indian Development, Inc., and particularly by one of its members, Lorene Bennett. The initial attacks on the trader system fell into four categories: first, a full-scale attack on the United States Postal Service to obtain adequate rural mail delivery on the Navajo Reservation; second, the establishment of sheep and wool pools and food stamp cooperatives; third, an attack against the state welfare departments for their use of the trader as intermediary; and fourth, an attack upon the United States Railroad Retirement Board.

Post Office

The drive against the United States Postal Service began at Torreon Chapter, Torreon, New Mexico, and was led by Charlie Toledo, Chapter President, and Joe Domingo, Councilman, with the help of a local rancher, Don Evans. It became clear to the chapter that the control of the trader would exist as long as the trading post was the only place that mail could be received. Therefore, the chapter membership petitioned the local post office officials to provide mail boxes in the chapter house, and received back the usual reply that the trader received mail "as a public convenience." Service was considered adequate. The chapter next appealed to Congressman Manuel Lujan, New Mexico. Lujan went directly to the Postal Service in Washington; and within a week,

the chapter received a postal installation. Meanwhile, the welfare rights group at Crownpoint, New Mexico, led by Mae Roper, an outspoken Navajo woman, petitioned the welfare departments to do something about checks being mailed to the trader. The challenge was made verbally to the welfare departments at their staff get-together at the El Rancho Hotel, in Gallup, New Mexico; and while the welfare staff ate a rather sumptuous lunch, Mrs. Roper and her group dined on commodity peanut butter and bread. The Fort Defiance welfare rights group joined in the petition. Meanwhile, a demand letter, accompanied by exhibits, and alleging that postal employees obstructed mail, that traders were illegally employed by the postal service, and that rural mail delivery was inadequate throughout the Reservation, was sent by DNA, Inc., to the United States Postal Service, with copies to the Social Security Administration, the welfare departments, and congressmen and senators. The demands included a joint conference of social service officials, DNA attorneys, welfare rights groups, and the United States Postal Service to obtain adequate mail delivery and tight administrative control over finagling postal employees.

Railroad Retirement

Again, the Torreon Chapter took the lead. Chapter officials demanded a meeting with Railroad Retirement Board officials. In late May, O. A. Gaskill, Regional Director, flew up from Houston, Texas, to the isolated Navajo community of Torreon. The Navajos demanded that he hire a Navajo claims agent and dismiss the trader. Gaskill admitted that the job of claims agent was a valuable asset to the trader for reasons other than its inherent worth, but he contended that no money was available to pay the special claims agent a decent salary. Therefore, the trader must remain. It was as though he had said that the choice was to have the trader as special claims agent, or have no agent at all. Negotiations continue today, with no indication of progress.

Cooperatives

The trader's strength, his monopoly, is potentially his greatest weakness. Cooperatives on the Reservation can begin to provide hitherto unheard of competition. However, to date, the Office of Navajo Economic Opportunity, the Reservation's Community Action Program agency, has

done very little to actively promote cooperatives. The president of Steamboat Chapter, Kee Williams, recently was watching the ten thousand sheep his community had assembled for a sheep dip, and he said, "They all belong to the trader." From this observation, he proceeded to explore the concept of a sheep pool, where the Navajos would assemble their lambs on a given day in September, and sell directly to the buyers. The difficulty is that this time around, the trader has no written agreement with the Navajos in the community that the lambs must be sold to him. Next time around, he certainly will; and Navajos who want credit in winter will have to agree to sell their lambs to him in the fall. Thus, to survive, the lamb pool will need sufficient capital to duplicate entirely the trader's credit arrangement with the Navajos throughout the year. The same procedures for cash advances will have to be worked out for the sale of wool and mohair during the spring.

Welfare Department

The use of the trader as intermediary for the welfare department is being challenged by Navajo welfare rights groups. The Crownpoint welfare rights group obtained a petition from Navajo food stamp recipients stating that they no longer wanted food stamps distributed at the trading post. The trader decided to fight fire with fire. He circulated his own petition among his customers, asking that food stamp distribution remain at the trading post. He also contacted Senator Joseph Montoya and asked him to stave off the onslaught by welfare rights and legal services people. On its face, his action admits his interest in food stamp distribution, but New Mexico state welfare people remain unconvinced.

Control

"All this time, and they haven't assimilated." "Progress is so slow here." These are typical tourist remarks upon visiting the Navajo Reservation. But one must remember, vividly, the contact the Navajo has had with white society. His closest contact has been with the trading post. If, after all these years, the isolated Navajo family is still subject to a "company store" whose overpowering control is the product of

governmental insensitivity as much as anything else, one wonders about Navajo impressions of the nature of white society.

The trader was inevitable. He is the intermediary between white and Navajo society, between a monetary and a non-monetary society, between two different cultures. But the American government, and the larger American public appear to have little insight into the nature of alien cultures, or the consequences of the contact between cultures. The trader is permitted to rule in the small Navajo community, and the community itself is denied any semblance of local control by a federal bureaucracy, the Bureau of Indian Affairs. No town, village, or state in this country would stand for so much federal control. Furthermore, the Bureau of Indian Affairs is adept at playing the ostrich. As late as September, 1968, Graham Holmes, then Superintendent of the Navajo Agency for the Bureau, stated, "I have been here for three years, and no one has ever come to me with a complaint about the traders. As far as I know, no problem exist."

One cannot help but wonder what the attitude of the rural Navajo is toward a white society which not only has helped to create an unfair and repressive situation on the Navajo Reservation, but refuses to admit it exists. In bold slogans, the town of Gallup, New Mexico, proclaims to tourists that it is the "Indian Capital of the World." White tourists during the summer months shop at Gallup's trading posts, enjoy the Gallup Indian Ceremonial, visit the Reservation trading posts, and admire the handicrafts and culture of the Navajos, without once recognizing that there is a pattern of exploitation of the Navajo by white society, a pattern of which they themselves become an integral part. "See real Indians making jewelry," proclaim billboards of the trading posts, somewhat like saying, "See real blacks eating watermelons."

One of the attempted solutions to the exploitation on the Reservation has been to direct an attack upon the Bureau of Indian Affairs for permitting the situation to exist. DNA filed a lawsuit to compel the BIA to enforce existing federal regulations and to adopt new regulations providing for a maximum interest rate, investigatory apparatus, price control, and for a proper penalty for violation of regulations. The only penalty now is complete revocation of the trader's license, which would leave the community without a store. The suit has great psychological

value, in showing that someone is aware of what is happening. Yet, additional BIA control is not a solution. What is clearly required is that the Navajos of the community control the one white man in their midst, just as any community defines permissible business practices. Further, no amount of control from the top changes the fact that the trader, by virtue of doing too many things, will continue to hold the community in subjection.

Below are a series of questions and answers about trading posts:

Question: HOW MUCH INTEREST MAY THE TRADER CHARGE ON MY PAWN?

Answer: In Arizona, the trader may charge 2% per month of the amount for which you have pawned the item. For example, if you pawned a concho belt for $100.00, the trader can charge 2% of $100.00 per month or $2.00 per month.

In New Mexico, the trader is permitted to charge 4% per month. However, he is also permitted a minimum of 10%, or $5.00, whichever is more. This means that if you pawned the same concho belt in New Mexico for $100.00, the trader may charge you 10%, or $10.00 for the first month. Many people feel that the New Mexico law permits interest rates that are far too high (as much as 48% per year). To change the New Mexico law, one of the Navajo representatives in the New Mexico legislature should be requested to submit a revised pawn law, with strong and responsible rules for the benefit of the Navajo people.

At the Reservation trading post, the trader is permitted to charge any interest he wants on your pawn. But he must indicate the amount and percentage of interest on the pawn ticket. One of the reasons for this is that neither the Tribal Council nor the BIA has passed any maximum interest law to regulate pawning on the Reservation. If you feel, or if your chapter feels, that the Reservation should have an interest law which would require the trader not to charge interest above a certain amount, petition your councilman to pass such a law.

NOTE: Whenever you pawn an item with the trader, you should be sure that you know how much interest he is charging. Ask him to write the interest on your pawn ticket. All traders are required to write on the pawn ticket the rate of interest he is charging because of the Truth in Lending law.

Question: HOW LONG MUST THE TRADER HOLD MY PAWN BEFORE *HE CAN SELL IT?*

Answer: In New Mexico, the trader is only required to hold the pawn for 90 days, and after 90 days he can sell the pawn.

In Arizona, on the other hand, the trader is required to hold the pawn for six months, after the date of redemption in the contract and he may not sell it before those six months expire.

On the Reservation, the holding period is more complicated. The trader must hold the pawn for at least six months, and he may not sell it before those six months expire; but if you pay a quarter of the amount of the pawn within five months, the trader is required to hold the pawn for eight months in all.

Question: WHEN I PAWNED MY CONCHO BELT AT THE TRADING POST, THE TRADER DID NOT GIVE ME A PAWN TICKET. MUST THE TRADER GIVE ME A PAWN TICKET?

Answer: At any trading post the trader is required to give you a pawn ticket. It is very important that you get a pawn ticket, and that you keep it until the day you get your pawn back. The pawn ticket is your proof that you pawned the item with the trader.

On the Reservation, the pawn ticket must include the following things:

1. the date that you pawned the item
2. a description of the item
3. how much the item is worth
4. the amount that the trader is loaning you on the item

5. the annual percentage rate of interest

6. when interest and payments are due

7. how you can get unearned interest back.

Below is a sample pawn ticket for a concho belt worth $100.00, which the Navajo owner pawned for $50.00. Here, the owner has made sure that she signed the ticket, and so did the trader, so that she had proof she had pawned the belt. You should make sure that the trader signs your pawn ticket, and that you sign it also.

JONES TRADING POST
SMITH, NEW MEXICO

John Doe 2/8/68

Mrs. Mary Yazzie

One concho belt, worth $100.00
pawned for $ 50.00

Annual percentage rate 12% (1% per month)

Holding period: Six (6) months (If you pay 1/4 of the amount due within five (5) months, then the period is extended to eight (8) months. If you then pay another 1/4 by seven (7) months, the period is extended to ten (10) months.)

1/4 payment DUE 7/8/68	$12.50	principal
	2.50	finance charge
	$15.00	due

SIGNED: Mary Yazzie SIGNED: John Doe

If you pawn an item in New Mexico or in Arizona, the trader is required to put the rate of interest on the pawn ticket. On the Reservation, he must also put down the rate of interest.

Truth in Lending and the Trader

The Truth in Lending law applies to all traders, and to all credit and pawn transactions.

Many traders say that they do not charge for credit when people buy food, other groceries, and gas on account to pay later. Yet, if people pay when they buy, the trader gives a special discount on the price to them. Also, if people pay their accounts off early, they get a "discount."

This "discount" is really a deduction on a hidden finance charge. Any finance charge has to be called that, and pointed out on bills to the customer. (Remember that a car salesman also must write out the finance charge--the total cost of credit or paying on time for the contract.)

Summary: The "discount" for paying fast or for paying right away is really a deduction of the finance charge from the open-end credit account. So it really is no "discount" at all.

The Hidden Charge and Pawn

Traders sometimes say that there is no finance charge on pawn. But then they ask for more money to take out the pawn than they gave in cash or in credit. That difference is the hidden finance charge. One trader did give the same amount in credit as he asked to be repaid. But he gave the customer, not money, but slips of paper that were good only in his store. This is in violation of federal law on the Navajo Reservation. The law says that real money must be used.

Where is the finance charge when the trader gives out special tokens or gas coupons in a pawn transaction and then says you must pay him back in cash? The answer is that the finance charge is concealed in the high prices for food and other items in his store. Nobody gets a "discount" if he uses the coupons, but he would if he paid for groceries in cash money.

Another way that the trader gets his finance charge is to add it to the dollar amount of trading slips that he hands out. For example, he gives Mrs. Yazzie $10 in trade slips. But he puts $11 in his books as the amount that she owes. He is charging 10% in finance charges. If he

does not tell her this, he is violating the Truth in Lending Law.

What does DISCLOSURE mean?

It means:

on the pawn ticket, the finance charge should be written like this: "Annual percentage rate-XX%"

It means:

the trader has to write down the date when the payments on pawn are due, and how much is due on that date

It means:

if the trader charges for late payments (or for losing the pawn ticket) he must write this down on the pawn ticket

It means:

he must describe the pawn he is holding and tell how much it is worth

It means:

he must indicate the amount financed (the principal) and the finance charge per month for the first month and for each month and the total repayment cost

It means:

the trader must tell how much the customer will get back from the finance charge if he pays back what he owes early, or how much the amount or the interest he owes will be reduced if he pays back early

It means:

the trader must write "finance charge" and the annual percentage rate in big letters or in handwriting you can read.

To "disclose" something, is to show it, and not keep it hidden. The trader is not supposed to hide any of these things from a customer who pawns with him.

The Uniform Commercial Code and Pawn

There is a special group of laws about doing business that govern businesses in New Mexico and Arizona (except on the Reservation).

Some people say they apply to pawn. If they do, and a person pawns something worth more than the loan and the interest he owes, the trader will have to give the customer the difference between the amount owed him and the cost of the item pawned, if he sells the item as dead pawn. Traders do not do this now. They keep the difference between the amount of money they loaned on the dead pawn, and the amount of money they got from selling it, as profit.

There are cases in the court about this. We must wait to see if the judges agree with this view. If they do, Navajo people will not lose as much money from pawning, even if they are not able to pay on time.

Law, Politics, and Pawn

In New Mexico, there is a Small Loan Act that requires the state to regulate people who make small loans. It also keeps the amount they can charge for loans up to $150 at a maximum of 3% a month (or 36% a year). This is the law that loan companies like Beneficial Finance must follow.

Although in 1970 the lawyer for the state of New Mexico, the attorney general, said that this law applied to pawnbrokers who did not have licenses to do business from the cities or from the counties, it has not really been applied. If this law were applied to traders by the district attorneys of the counties, in New Mexico traders could lose their right to take pawn if they charged too much, or if they did not keep accurate records.

The Small Loan Act applies to the loan companies that Anglos borrow from. Is it fair that it does not apply to traders, who lend money to Navajo people only?

After the election in 1970, the new attorney general, David Norvell, said that the law did not apply to traders. How can two lawyers have two opinions about law?

Sometimes it is just an honest difference of opinion. Lawyers are trained to see both sides of many legal questions, because they are paid to represent people when they do not agree personally with the side that they take. The idea is that both sides of a question must be shown to the judge (and jury) in the best possible way, for the court to decide who is right.

In this case, the answer is not that simple. The politics of law is important. The attorney general and others were more interested in getting the votes that the traders can collect from their customers, who do not understand much about politics and who cannot read the ballot, than they were in helping to give equal protection to Navajo consumers.

Although there are many laws that should apply to all people equally, the lawyers who work for the state and counties sometimes let political reasons point the law and the rights of the law in favor or against certain people.

The Small Loan Act and the fact that it is not applied to the traders is a good example of this. Even when the old attorney general said that the law applied to the traders, a trader could hire the district attorney of McKinley County as his private lawyer to fight the enforcement of that law.

The traders are very powerful because they control the credit and the votes of many Navajo people. Many adults are afraid to fight back because the trader will stop the credit of relatives, or blacklist friends from jobs.

A young person must consider ways to fight the trader who performs wrongly, but he must think of ways that will not hurt his relatives or friends.

Question: I LOST MY PAWN TICKET, AND DON'T KNOW HOW TO GET MY PAWN BACK FROM THE TRADER? WHAT SHOULD I DO?

Answer: In all trading posts, the trader is required

to keep a record of each pawn transaction. If you lose your pawn ticket and have trouble getting back your pawn, you should go to a Navajo lay advocate, and he will help you examine the trader's records. His records must have the same things written on it as are written on your pawn ticket.

Question: THE TRADER WILL NOT LET ME TAKE OUT MY PAWN UNTIL I HAVE PAID FOR MY GROCERIES. CAN HE DO THIS?

Answer: The trader cannot hold your pawn when you have paid for it and have paid the interest. This means that he cannot make you pay outstanding bills before he releases your pawn. The pawn and the bills are two separate transactions. Your pawn ticket shows that the trader has agreed to release your pawn when you have paid him the full amount. In some places, the trader will write on the pawn ticket an agreement that you must pay for all your debts with him before you can get your pawn back. The agreement might look like this:

> "It is expressly understood and agreed that, in addition to being security for loans or advances made, this pawn secures any open account or other indebtedness owed by the undersigned to the pawn holder."

If a trader is doing this, and you don't want to make such an agreement, just cross this section out. If the trader insists on keeping the agreement in, don't sign. You should take your business some place else.

Question: THE TRADER SOLD MY PAWN WITHOUT NOTIFYING ME. IS THE TRADER REQUIRED TO NOTIFY ME BEFORE HE SELLS THE PAWN?

Answer: There must be clear notice on the ticket about when the payment is due. Also, on the reservation, the trader must display your pawn in a place where you can see it in the trading post, with a notice of how much you still owe on the pawn, for at least thirty days, before he can sell it.

In Arizona, the trader is required to give you reasonable notice before he sells the pawn. Arizona also has a very important law which says that when a trader has sold your pawn, he must tell you how much he sold it for.

Then he must pay to you the difference between the amount he sold it for, and the amount of the loan, plus interest, plus 2% of the amount of the loan. For example, if a trader in Arizona sells your concho belt for $150.00 at the end of the six-month holding period, and you pawned the concho belt for $100.00, you are entitled to the difference between $100.00 plus 2% a month interest plus another 2%, and the selling price of $150.00, as follows:

2% per month interest charge x 6 months = 12%
+ 2%
14%

14% of $100.00 = $14.00

$150.00 selling price - $114.00 = $36.00

The trader is, therefore, required to give you back $36.00 in this case.

Question: WHENEVER I GO TO THE TRADING POST TO SELL LAMBS OR WOOL, THE TRADER WILL NOT GIVE ME CASH. AND WHEN HE GIVES ME CREDIT, HE WILL NOT GIVE ME A RECEIPT. IS HE RIGHT?

Answer: When you sell lambs, wool, or other items to the trader on the reservation for credit, he should give you a receipt telling:

1. the date
2. the amount he paid you
3. a description of what you sold to him.

You should sign this receipt, and it should look like this:

JONES TRADING POST
SMITH, NEW MEXICO

John Doe

Date: 2/6/68

Received one lamb in exchange for credit for $12.00.

SIGNED: John Doe _____ SIGNED: Mary Yazzie _____

If the trader decides he wants your sheep, you should try to get this receipt signed by you and by the trader. It should be your decision whether you receive cash or credit. He cannot give you "tin money" or gas coupons if you don't want them. Demand cash money, that you can spend anywhere.

Question: MY MAIL IS DELIVERED TO THE TRADING POST. WHEN I RECEIVE MAIL FROM THE WELFARE DEPARTMENT OR FROM THE SOCIAL SECURITY, THE TRADER SOMETIMES OPENS THE LETTER AND TELLS ME TO ENDORSE IT. AFTER I ENDORSE IT, HE WILL NOT GIVE ME CASH, BUT APPLIES THE WELFARE CHECK TO MY CREDIT. I NEED THE CASH. IS THERE ANYTHING I CAN DO ABOUT IT?

Answer: Your government check is yours, and yours only. You are entitled to hold in your hand all the cash that comes from your check. If the trader cashes your check, he must cash it for the amount that appears on it. Then, when you have the money in your hand, you can decide how to use it--cash for yourself, payment to the trader for credit, or payment for outstanding bills. Your letters belong to you, and the trader cannot refuse to give you your mail. He cannot open your mail unless you give him permission. If the trader opens your mail without permission, you should go talk to a Navajo lay advocate about it.

Many places on the reservation have this problem. The best way to avoid it is to have your mail delivered somewhere other than to the trading post. If there is a general delivery post office near you, have your welfare checks or your social security checks delivered to the post office. You can have your mail delivered addressed to you "c/o General Delivery" or to a private box. A private box only costs $3.60 a year. In some places, such as Torreon, New Mexico, the community decided that it did not want the mail to go to the trader. The community requested that the Post Office Department open postal boxes at the Chapter House. That way, the mail is delivered to the Chapter House, and the trader never sees it.

If you are having your mail addressed to, and delivered to, the United States Post Office, and somehow it ends up at the trading post, let a Navajo lay advocate know about it. This may be a violation of the United States postal laws.

Question: THE PRICES AT THE TRADING POST THAT I GO TO ON THE RESERVATION SEEM TO BE VERY HIGH. WHAT CAN I DO ABOUT THIS?

Answer: There are no regulations on the Reservation dealing with trader prices, because neither the Tribe nor the BIA has ever passed any regulations. In off-reservation areas, prices are controlled by the fact that there are competing stores next to each other; but on the Reservation, most trading posts are isolated from other stores. If you believe that there should be regulation of prices on the Reservation, tell your tribal councilman to help pass a law to control the trader's prices.

There is a law that the trader must put his prices in a conspicuous place, where you can see them. He cannot use a secret code that only he understands.

Question: IF THE TRADER DOES SOMETHING WRONG, WHAT CAN I DO ABOUT IT?

Answer: There are many things you can do. Let us go over the pawn law in Arizona, New Mexico, and on the Reservation, to understand what you can do when the trader does something wrong. Arizona has the strongest pawn law. This law requires the trader to make a weekly report to the sheriff on the pawn which he has accepted, with the name and residence of people who have pawned with him. In Arizona, it is a misdemeanor; that is, it is a crime punishable by a maximum of six months in jail, or a fine of $300, whenever the trader violates a pawn regulation. In addition, if the trader has violated the regulation and because of that you have lost your money or lost your pawn, you have the right to get the money or the pawn back from the trader.

The New Mexico law also makes it a misdemeanor, in New Mexico, a crime punishable by a maximum of one year in jail, or a $100 fine, for violation of any of the pawn provisions. In addition, if the trader has charged excessive interest, interest above 4% a month, you may get back through the courts three times the amount of interest he charged to you. And if the trader has violated any of the pawn provisions, and you have lost your pawn, or if you have lost your money, it may be possible to get back your pawn or your money.

There are greater difficulties in correcting trader abuses on the Reservation. On the Reservation, there is no regular system to inspect the trading posts, no system by which complaints against the trader can be made, and no effective procedures by which a community can protest the renewal of a trader's license. The only special penalty for a violation of the laws by the trader on the Reservation is the revocation of his license or forfeiture of the bond posted by the trader which is at the discretion of the Commissioner of the Bureau of Indian Affairs, or the revocation of his lease by the Tribe. These are rather harsh penalties, and nobody has been willing to enforce them. As a result, the traders on the Reservation go largely uncontrolled in their daily pawn and grocery-selling transactions.

There is a new and important weapon to use against traders who do not follow the rules about pawn that are included in the Truth in Lending Law. These rules include all of the disclosures of information that were mentioned earlier.

The trader is subject to a minimum damage charge of $100 from the court for each pawn dealing that he does not handle according to this law. You must see a lawyer to get this $100 for yourself or for a member of your family, since it requires a court case. You must see a lawyer about this before one year has passed since you had that dealing with the trader.

Question: WHY SHOULD THE TRADER RECEIVE THE MAIL? WHY SHOULD THE TRADER DO THE HIRING FOR THE RAILROAD? WHY SHOULD THE TRADER HAVE THE ONLY TELEPHONE FOR MILES AROUND? WHY SHOULD THE WELFARE WORKER COME TO THE TRADING POST AND NOT TO THE CHAPTER HOUSE? WHY SHOULD A TRADER ALSO BE A POST OFFICE EMPLOYEE? WHY SHOULD THE TRADER INTERPRET BUSINESS LETTERS AND SEND MESSAGES?

Couldn't the Navajos and the Chapter Houses do these jobs themselves, do them better, and get paid for doing them? Different communities are asking these questions, because they think it is possible for the people to be less dependent on the trader.

PAWN LAWS

Arizona Pawn Law

1.	Maximum Interest	2% a month
2.	Holding Period	6 months after date of redemption
3.	Required Record	Date Duration of pawn period Rate of Interest Amount of loan Name and residence of person pawning Description of pawn (Trader must keep a record in his register at the time of the transaction and give the customer a copy)
4.	Penalty	Must publish notice of sale 5-days beforehand Misdemeanor, punishable by maximum of 6 months in jail, or a fine of $300 or both
5.	Inspection	Weekly report to Sheriff Pawn Name and residence of persons pawning Must reveal record to law enforcement officer
6.	Sale	Must disclose price from sale Must pay difference between amount sold for and amount with interest + 2%

Gallup Pawn Law

1.	Interest	See New Mexico law--4% per month
2.	Holding Period	No article may be sold prior to 30 days after loan period or before 3 month period of New Mexico state law

3.	Record of Trader	Date Name and address of person pawning Description of pawn Last date of redemption
4.	Receipt	Terms of the loan Amount necessary to redeem loan Date of expiration of loan
5.	Inspection	Periodic inspection by police
6.	Penalty	Maximum of 90 days or $300- criminal misdemeanor

New Mexico Pawn Law

1.	Maximum Interest	4% per month, with a minimum charge of $5 or 10%, whichever is greater
2.	Holding Period	90 Days
3.	Record	Name and address of person pawning Amount of loan Rate of Interest Description of pawn
4.	Penalty	Misdemeanor, punishable by maximum of 6 months in jail, or $100 fine, or both and civil penalty of forfeiture of the times the interest charged
5.	Inspection	By officers, and customer who pawned

Reservation Pawn Law

1.	Interest	No maximum

2.	Holding Period	6 months (if you pay 1/4 of the amount due within 5 months, then the period is extended to 8 months. If you then pay another 1/4 by 7 months, the period is extended to 10 months)
3.	Receipt for Pawn	Date Item pawned Amount loaned Market value
4.	Receipt for Credit	Date Amount paid Description of thing sold
5.	Penalty	Revocation of license by BIA or of lease by Tribe
6.	Inspection	No inspection system
7.	Sale	Pawn must be displayed for 30 days stating amount due Notice must be given in writing of cancellation
8.	Prices	Must be marked on item
9.	Cashing of Checks	Must be paid in cash to customer

Truth in Lending Act (Applies to all Pawn Receipts)

To be written on pawn ticket:

Annual interest rate
When payment and interest due
How much interest is "saved" if early payment is made

HOW MUCH IS YOUR PAWN WORTH

You have seen that it is important for the trader on the reservation and for you to have the value of the pawned necklace, bracelet, or belt written on the pawn slip. This is very important because it helps the Navajo

person prove the value of the jewelry if the trader loses it or if there is an accident to it when it is in his care.

The trader has a legal responsibility for your pawn. He must exercise due care in seeing that it is safe from fire and theft. There have been several cases where trading posts burned to the ground. People had a hard time proving the value of what they had lost.

Every Navajo family has some family jewelry that they treasure. But, as often as not, they do not value it in money terms, but for its sentimental value or for religious reasons. If you ask your grandmother what her beautiful squash blossom necklace is worth, she will probably tell you that it is worth the same amount as when she bought it twenty years ago. That is also the amount that she tells the trader. He knows that a necklace that cost $200 twenty years ago may be worth $750 in Phoenix or Albuquerque, or may be irreplaceable since the old and wonderful silversmiths have died. But he will not tell her.

What can you do to make sure that the value of family belongings is made clear to the trader? Here are some ideas. Take photos of all important family jewelry. Take the jewelry to two or three jewelry stores or trading posts, and ask them to place a "fair market value" on it. Have them write that value and sign their names on the photos. Keep the photos in a safe place. Another idea is to get some insurance on these items of jewelry. Personal property insurance is very inexpensive, but it will protect you in the case of theft or fire.

WHO ACTS FOR YOU?--IS THE TRADER THE BEST ONE TO DO THIS?

The following is a true story, but the names are changed. Wilma Yazzie was known by all as the best weaver in the northern part of the Reservation. One day a trader said that some people from Chicago wanted her to weave a rug of a special design. He promised her $200. She wove the rug. The people from Chicago came out and took her picture. They said that they were going to register the rug in Washington.

The trader gave Mrs. Yazzie a turquoise necklace. He said that it was worth $200. It was only worth $100, according to another trader, who gave her $40 in food credit for it.

Mrs. Yazzie soon discovered that her rug had been used as the design for a facial tissue box by an important company. It was being sold everywhere. A picture of her hands was also on the box. The box was shown on television ads.

Mrs. Yazzie went to a lawyer and asked him to check into the transaction. He discovered that the company had really offered Mrs. Yazzie $700. The trader had only mentioned $200. He had taken the rest of the money for himself.

The trader had been the agent for Mrs. Yazzie. He had told her he would act for her. He had told the paper tissue company that he acted for Mrs. Yazzie on business matters. In the end, however, he had acted for himself.

It is important to pick a person you can trust to be your agent--to sign legal papers and read them, and to get the best deal for you. Often Navajo people are told confusing things by the office workers of the welfare office or land office. The papers they sign are beyond their understanding.

A lawyer or a Navajo lay advocate is a kind of agent in cases like these. He speaks for the Navajo person, who is known as his client. If he is a private lawyer, then he is paid by the client. If the Navajo is eligible for free legal help, then the lawyer is paid by the Tribe or by Washington.

Many people think that a lawyer can help them only when they are arrested or when they want to go to court and defend themselves in a civil case. They are mistaken. He can do important jobs other than these.

The rich businessman takes all complicated business papers to a lawyer for him to review and give advice on them. He pays a lawyer to work out complicated "deals" with people he buys or sells from.

Does this mean that the businessman cannot read or write very well? Should he be ashamed of using a lawyer to do things that other people do themselves?

No. Lawyers are paid to act for their clients, because they have special training that everyone does not have. A wise person does not operate on his horse's

leg. He takes the horse to a veterinarian. A Navajo untrained in Navajo chants would not try to perform a Blessing Way. He would seek out a medicine man.

Everyone's world is more complicated today than in years past. People recognize that they can be the owners of property and still get the advice of other people to help them.

A good agent:

1. is someone you trust.

2. has some special knowledge that can improve your own knowledge when you make decisions.

One final reason why attorneys make good agents is that they are bound by a professional code of ethics. If an attorney had acted as the trader did in the case above, he would have been investigated and permanently stopped from practicing law. To lose one's profession is a serious matter. The trader, on the other hand, is not bound by a professional code that can stop him from being a trader if he acts wrongly.

What Can Students Do to Help Their Families with Pawn and Traders?

First, they should explain some of these laws to their parents before they go to the trader. If students don't know how the trader does business, they should ask their relatives, and go along to watch the next time their grandmother or mother goes to the trading post.

Second, they should make sure that the treacher gives their relative a paper with the correct information, written out clearly.

Third, they should encourage their relatives to see a lawyer when they discover wrongdoing on the part of the trader; and they should go along with their relative, to help out.

Fourth, they should explain to their parents about other places to borrow money at cheaper rates than at the trading post.

Fifth, they must realize that their relatives may have to find another place to get their mail or be hired for work if they do not pawn at the trading post. They should help their relatives, especially older relatives, find other places to get these services.

And, they should look for ways to replace the trader, and help the entire community. There are ways to solve the problems. Help the community get its mail elsewhere. Help the chapter get a public telephone. Most important, help the community build its own place to sell food. The community can have its own business.

Cooperatives

At Torreon, the Navajo people received food stamps from the welfare department. These were coupons that were just like money. (See the section on food stamps and surplus food in the community section of this text.)

They opened their own store. The Navajo people are members and owners of the store. They sell themselves food for food stamps or money. They sell at lower prices than the trading post does, and they keep the profits for themselves.

An old trader lady, Dorothy Hubbell, predicted this would happen. She said:

> "The new trader is in for a short while. He comes in to make money and get out. But the time is coming when this will change--when the Tribe will open the reservation to other businesses, all sorts of businesses, that will crowd the trader out."

A cooperative is a Navajo business for Navajo people. In the next section, we will learn more about them.

COOPERATIVES: NAVAJOS AND THEIR OWN STORES

The idea of Navajo people owning their own store is not a new one in many Navajo communities. Years ago, during the days of the Indian Reorganization Act and Indian Commissioner John Collier, there were local stores owned by Navajo communities set up in several places. They failed, people recall, because they were mostly the government's idea, and because relatives of the store managers and other people got credit and didn't think that they had to pay the debts because the store's capital (its working money) came from Washington.

Around 1970, at Torreon, New Mexico, the Navajo people tried again to set up a cooperative store, with the help of legal services attorneys. Instead of using special government money, the people used food stamps as capital. There were not too many debts because paying with food stamps is like paying cash money for food.

Why should Navajo people return to the cooperative idea? Cooperatives are a kind of legal organization that allows people to pool their money, their labor, or their products, and get more power when they sell or buy things they need.

At Ramah, for example, the community sells its wool and lambs together. They make one contract with buyers. If they sell these things independently, they sometimes have had to fight among themselves. This kind of competition only helps the buyer, the trader, or the feed lot man. It hurts everybody who fights.

Now people work together, and they get better prices, because buyers know that they can't pull the people apart.

The idea of the consumer cooperative is close to this. Everybody knows that the trader gets food he sells for less, because he doesn't buy one or two things to sell. He buys from a wholesaler, by the box or by the carton. He knows that he can keep that food for long enough to sell, for example, a dozen cans of coffee to a dozen different customers at a higher price than he paid. This profit, after his expenses are taken out, will go into his pocket. He gets the money back that he paid to the wholesaler, and he buys more food with it.

The trading post may be simply the personal business of a trader, with no special legal identity of its own. More likely, however, it is a corporation. A corporation

is an independent legal personality. It can buy and sell things, and borrow money and lend it, just like you or I can. It pays taxes. It can go broke. The trader is still the owner of the corporation, because he owns all or most of the stock in the corporation. Stockholders contribute the capital to the corporation that it uses to carry on its business. One man may do that. Several million people may be stockholders in a big company like the telephone company. Only the money that the owners (the stockholders) contribute to make the business go can be taken by people to whom the business owes money. For example, if the trading post does not pay its bill to the wholesaler, and it is a corporation (The X Trading Post, Incorporated), it is the corporation that owes the money, and not the trader.

The wholesaler can go to court and get an order to have the sheriff sell the things that the trading post has inside and that belong to it, like the chairs and counters, etc. The wholesaler can try to collect the money he's owed from people who owe the trading post money. But he cannot go to the trader's house and take his furniture, or take the money out of his savings account, or take the trader's car.

The wholesaler will sell food on credit to the trading post only if it has enough money to pay. He will check the credit record of the trading post to see if it pays its bills.

How does a trading post become a corporation? It files papers with the state. Every state has laws that tell businesses how they can become corporations. Lawyers help the trader, the car dealer, and the movie operator who want to have their businesses set up as corporations. He will help them file the special papers that are needed and pay the special fees to get the rights that only a corporation has. The states require that the businesses be organized in certain ways.

The Navajo people of Torreon filed papers with the state to have their own corporation. These Articles of Incorporation tell the name of the organization (its legal name), its purposes, and what it plans to do.

The main place of business is listed. So are the names of the organizers (called incorporators) and managers of the business (the directors).

The details of the organizational structure of the cooperative are contained in the bylaws.

The most important aspects of the organization at Torreon are these. To join the Torreon Cooperative, any person living in that grazing district can buy one share of stock for five dollars. There are 1,000 shares in the entire corporation. A person who joins agrees to buy five of these shares in the first year. He can buy the share with cash, but he can also just buy things at the store. When he buys enough groceries, he is given the opportunity to receive his five shares of stock in this way.

The key to this is that Navajo people without any money to spare can use their food stamps at the cooperative and become stockholding owners of the store in this way.

The stockholders are the owners. They elect directors, who take charge of the legal and business responsibilities of the cooperative on a regular basis. The directors have officers, just like the chapter does. They also hire a manager to run the store and purchase food, just as the trader has employees for that purpose. All of these people are Navajos in the community.

In a corporation, the profits are that part of the money taken in that is left after expenses are paid out. These expenses include purchases of food to sell, salary for the manager, electricity and heating costs for the building, etc.

Besides this, some money is kept in reserve for emergencies and for new projects. This is a legal requirement, but it is also a practical one. The cooperative, like an individual person, must have some money to pay its bills and for new projects. For example, the cooperative at Torreon wants to move down to the road, and it wants to put in a gas tank.

The Torreon cooperative has a rule that no one can own more than 15 percent of the stock. This keeps the ownership and profits spread around the community.

The Torreon cooperative is also non-profit, because it tries first to keep prices low and not take as much money or food stamps as it could, and not take any more money in cash or in food stamps than is necessary to meet

expenses and make a small profit to use for new projects. This is not the way that traders do business.

The profits that are made go to people according to the amount of money or food stamps that they spend at the cooperative. The profit can be distributed as money, book credit, or food from the inventory of the cooperative.

Working Together--The Navajo Approach

It is no surprise that Navajo people at Torreon and other communities are looking at the consumer co-operative idea as a way to begin to solve their trader problems.

The Navajo family has always had the cooperative spirit in important economic functions. For example, families put their sheep and cattle together and take care of the animals of family members who are away at school or work or in the service. People help one another buy cars by going off to work to help make the payments. Parents and children often pay the trader bills of other family members, even when the law does not require it. When a person is sick and needs a Navajo ceremony to heal him, clan members usually put in their share of the costs when they are requested to. People build corrals, fences, and hogans for one another.

All of this does not mean that property like sheep and goats is owned by everybody. Even young children are considered to have their own animals. The right to do with your property as you like is part of being an owner. But the important thing is that Navajo families pool their labor and do favors that are necessary when some family members have to leave home to get money. Labor like the labor of taking care of animals or hauling wood and water has a money value. This is easy to see when a Navajo works for a ten-day project or the railroad and gets a check. Within the family, work is also a contribution that is just as important as donated money. It is a contribution that is recognized when the person who takes care of the sheep and cattle of someone else also needs help.

The cooperative is one way that people can take what little money that they have, the food stamps they receive, and work together to get special benefits that no one can get by himself. Together, people can form a cooperative that has special legal protection.

If the cooperative does not succeed, no Navajo owner loses any more than he invested. No one can make him pay any more than that on bills the cooperative owes. No one can make him pay extra for food he bought for his family at low cost.

If the cooperative succeeds, the local community gets cheaper food than the trader offers. It gets power over its own money that it never had before. It gets experience in organization that will help people go on to do other things, with the help of the laws of the state.

Students and Cooperatives

Students play an important part in the organization of a cooperative. They help keep the books in the cooperative store. They work with the lawyer or lay advocate to meet the demands of the law--to make reports to the state, to pay taxes, and turn in food stamps to the bank to get money to buy more food for the cooperative.

The importance of reading and writing English, and of knowing basic mathematics is clear to those who work with the Torreon cooperative. Speaking good Navajo is also very important, so that it can be explained to all community members why they should work together and purchase food at the cooperative.

Other Kinds of Businesses

Cooperatives are the basis for getting Navajo people into many other businesses where, until now, they have been making a handful of Anglos rich. Navajos in Chinle are working to get a pickup truck franchise. A franchise is the official authorization by the car company to sell all of the pickups of a certain make in a certain area. Navajo people have made millionaires of some people in Gallup by buying their trucks from these people. Perhaps these dollars can be fed back to the Navajo community if the people run their own businesses.

Other Kinds of Actions

Buying or refusing to buy at a store is the only way that consumers can make businessmen do things that they want. The power of the dollar is in the hands of the thousands of Navajo people who shop in border towns like Flagstaff and Gallup. If a car dealer or restaurant treats Navajo people badly, not shopping there can end the bad practice.

More important, however, than how friendly the car dealer or restaurant owner is, is the way he helps Navajo people by putting dollars back into their hands. Many businesses that make thousands of dollars off of Navajo people hire no Navajo employees.

The next time that you go to Farmington, Gallup, or Flagstaff, look at the number of Navajo people working at the store that you enter. Everyone knows that without work that is local, Navajo adults must travel great distances to get migrant work or jobs on the railroad. The jobs are there in the towns, but they are in the hands of other people.

A boycott is an organized action by consumers to stop shopping at one or more commercial establishments until the owners agree to a change of policy. Should Navajo consumers use this legal tactic to get more jobs for their own people? This should be discussed with your friends and your parents.